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Memorandum CITY SECRETARY
DALLAS, TEXAS



CITY OF DALLAS

DATE January 2, 2015

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

SUBJECT January 5, 2015 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Monday January 5, 2015, 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 December 1, 2014 Minutes
Carolyn R. Davis
Councilmember

2. 2015 Low Income Housing Tax Credit Program
Mitchell/O'Donnell
(Estimated time 30 minutes)

3. Upcoming Agenda Items
Housing Items Only
For Information Only
 - a. Amendment to DHA Turner Courts Contract
 - b. Amendment to Mortgage Assistance Program (MAP) Program Statement
 - c. Loan Modification to Serenity Apts Contract
 - d. Modification to Subordinate Reverter
 - e. Addendum – Section 108 Guaranteed Loan for Plaza Hotel Project



Carolyn R. Davis, Chair
Housing Committee

c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, City Manager
Warren M. S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
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

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 December 1, 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: December 1, 2014

Meeting Start time: 11:05 A.M.

<p><u>Committee Members Present:</u> Carolyn R. Davis (Chair) Scott Griggs (Vice-Chair) Monica Alonzo Rick Callahan Philip Kingston</p>	<p><u>Staff Present:</u> Bernadette Mitchell-Interim Director/HOU Charles Brideau-Asst. Director/HOU Patrick Inyabri-Asst. Director/HOU Beverly Davis-Asst. Director/FHO Don Baber-HOU Cynthia Rogers-Ellickson-HOU Rick Robin-HOU Robin Bentley-CAO Michael Bostic-CAO Justin Hunt-MCC Priscylla Bento-SEC Alida Allen-HOU Brian Price-HOU</p>
<p><u>Other Council Members Present:</u></p>	
<p><u>Committee Members Absent:</u></p>	<p><u>Other Attendees</u> Kristen Schulz-Habitat for Humanity Susan Watkins-KP</p>

AGENDA:

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

1. Approval of November 3, 2014 Minutes of the Housing Committee

Presenter(s): Council Member Carolyn R. Davis

Action Taken/Committee Recommendation(s)

<p>Motion made by: CM Philip Kingston</p>	<p>Motion seconded by: CM Scott Griggs</p>
<p>Item passed unanimously: <u>X</u></p>	<p>Item passed on a divided vote: <u> </u></p>
<p>Item failed unanimously: <u> </u></p>	<p>Item failed on a divided vote: <u> </u></p>

Follow-up (if necessary):

2. **Mortgage Assistance Program Update**

Presenter(s): Bernadette Mitchell, Interim Director/Don Babers, HOU

Information Only: __

Action Taken/Committee Recommendation(s) Motion to move forward to full Council

Motion made by: Philip Kingston	Motion seconded by: Scott Griggs
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. **Upcoming Agenda Items**

Housing Items Only

- a. Land Bank Sale- Dallas Area Habitat for Humanity (2 lots)
- b. Land Transfer- Dallas Area Habitat for Humanity (1 lot)
- c. Public Hearing Substantial Amendment No. 1

Information Only: __

Action Taken/Committee Recommendation(s) Motion to move forward to full Council

Motion made by: CM Scott Griggs	Motion seconded by: CM Rick Callahan
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):

Meeting Adjourned by CM Carolyn R. Davis

Meeting Adjourned: 11: 25 A.M.

Approved By: _____

Memorandum



CITY OF DALLAS

DATE January 2, 2015

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

SUBJECT 2015 Low Income Housing Tax Credit Program

On Monday January 5, 2015, you will be briefed on 2015 Low Income Housing Tax Credit Program. A copy of the briefing is attached.

Please let me know if you have any questions.

Theresa O'Donnell
FOK 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
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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

2015 Low Income Housing Tax Credit Program

A Briefing to the
Housing Committee

Housing/Community Services Department
January 5, 2015



Key Focus Area: Economic Vibrancy

Purpose

- Update Housing Committee on 2014 Low Income Housing Tax Credit (LIHTC) awards
- Provide information regarding the Texas Department of Housing & Community Affairs LIHTC Program for 2015
- Provide information on 2015 applications

Texas Department of Housing & Community Affairs (TDHCA) Low Income Housing Tax Credit (LIHTC) Program

- The Housing Tax Credit (HTC) Program was created by the Tax Reform Act of 1986. Section 42 of the Internal Revenue Code of 1986, as amended (the Code), is the federal law that governs the HTC program
- For 2014, the estimated tax credit availability was approximately \$10.6 million for the region
- For 2015, the estimated tax credit availability is approximately \$11 million for the region
- The Region includes Dallas, Denton, Collin, Tarrant, and Grayson Counties
- The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate tax credits under this program

LIHTC Program

- The tax credit program is one of the primary means of directing private capital toward the creation of affordable rental housing
- The tax credits provide investors of affordable rental housing with a benefit that is used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing
- The Tax Credit Program allows qualified families to lease the developed units at below market rate rents
- From 1990 to 2014, there have been 131 projects awarded tax credits in Dallas (both 4% and 9%) which have created 20,225 housing units

2014 LIHTC Results for Region 3

- Region 3 Commitments Issued for 9% LIHTC:
 - Avondale Apts., Ft. Worth
 - Mariposa Apts., Saginaw
 - Serenity Apts., Dallas
 - M2 Apts., McKinney
 - Cypress Creek Apts., Joshua
 - Churchill at Champion Circle, Ft. Worth
 - Bishop Gardens, Justin
 - Cypress Creek Apts., Royse City

2014 LIHTC Results for Region 3

- Region 3 Commitments Issued for 4% LIHTC:
 - Bruton Apts., Dallas
 - Park at Cliff Creek, Dallas
 - Lakes of El Dorado, McKinney
 - Fountains of Rosemeade, Dallas
 - Ash Lane Apts, Euless
 - Villas at Plano Gateway, Plano
 - Decatur-Angle Apts., Ft. Worth
 - Inwood Crossing, Ft. Worth
 - Patriots Crossing, Dallas

LIHTC Qualified Allocation Plan for 2015

- TDHCA develops an annual plan for the selection of eligible developments known as the Qualified Allocation Plan (QAP)
- The 2015 QAP includes a point based scoring system with the following criteria:
 - Size & Quality of the Units
 - Sponsor Characteristics
 - Income Levels of Tenants
 - Rent Levels of Tenants
 - Tenant Services
 - Opportunity Index
 - Educational Excellence
 - Underserved Area
 - Tenant Populations with Special Housing Needs
 - Quantifiable Community Participation
 - Community Input other than Quantifiable Community Participation
 - Commitment of Development Funding by Unit of General Local Government
 - Community Support from State Representative or Senator

LIHTC QAP (continued)

- QAP Criteria (continued)
 - Declared Disaster Area
 - Community Revitalization Plan
 - Financial Feasibility
 - Cost of Development per Square Foot
 - Pre-application Participation
 - Leveraging of Private, State, and Federal Resources
 - Extended Affordability or Historic Preservation
 - Right of First Refusal
 - Funding Request Amount

City of Dallas Participation in LIHTC Program

- TDHCA asks for the Governing Body to provide the following approvals for any proposed project located within the boundaries of the jurisdiction:
 - When the number of tax credit units previously approved exceeds two times the state average
 - When projects involving new construction or adaptive reuse are located less than a mile from another project funded within the prior 3 years and serving the same type of household
 - When a proposed project is to be located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract
 - Community Revitalization Plans (CRP) and the significant contribution of a project in a CRP area

- Additional support
 - Formal resolutions of support from the City Council
 - Provide gap funding for projects that meet the City Council goals & objectives
 - Zoning confirmation

NOFA Process for LIHTC Projects

- October 21, 2014, NOFA was issued
 - Provided to all known developers
 - Posted on City of Dallas website
- October 28, 2014, NOFA question and answer session was held with any interested parties
- December 1, 2014, NOFA applications were due
- January 2015, NOFA Review Committee to underwrite proposals

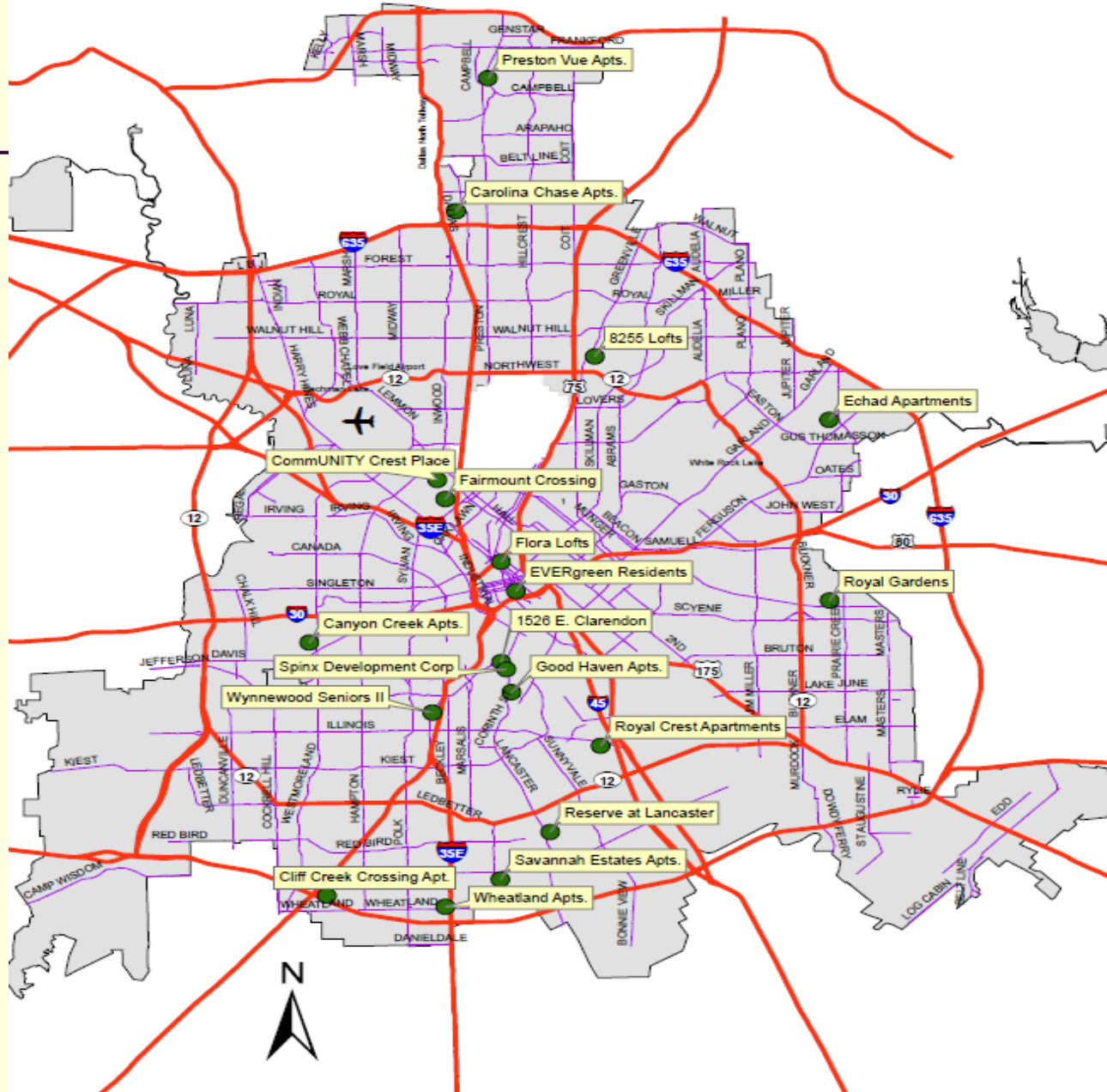
NOFA Responses for LIHTC Projects

Council District	Project Name/Developer	Address	# of Units	Unit Types	Request for Funding
1	Wynnewood Seniors II Central Dallas CDC & BOA CDC	1805 S. Zang	140	Seniors	\$0
2	CommUNITY Crest Place Deaf Action Center	3115 Crestview	100	PSH	\$2,856,720
2	EVERgreen Residents John Greenan	1701 Canton	158	PSH	\$5,500,000
2	Fairmont Crossing Dallas Housing Authority	2741 Hawthorne	366	Families	\$1,000,000
3	Canyon Creed Apts. Alan McDonald/Brandon Bolin	Pinnacle Park Blvd.	225	Families	\$3,000,000
3	Savannah Estates Apts. NRP Group	Houston School Rd/ Camp Wisdom	225	Families	\$5,000,000
4	1526 E. Clarendon Matthews Southwest	1526 E. Clarendon	139	Families	\$3,000,000
4	Good Haven Apts. Ruel Hamilton	1000 S. Corinth	324	Families	\$4,255,303
4	Royal Crest Apts. Ruel Hamilton	3540 Wilhurt	165	Families	\$2,250,000
4	Sphinx Development Corp. Jay Oji	301 S. Corinth	154	Families	\$4,522,500

NOFA Responses for LIHTC Projects

Council District	Project Name/Developer	Address	# of Units	Unit Types	Request for Funding
7	Royal Gardens Builders of Hope CDC	8700 Military Pkwy.	197	Families	\$2,200,000
8	Cliff Creek Crossing Apt. NRP	7500 Cliff Creek	296	Families	\$1,650,000
8	Reserve at Lancaster Chris Applequist	5600 S. Lancaster	240	Families	\$5,961,121
8	Wheatland Apts. NRP	NW I-35/Wheatland	296	Families	\$1,600,000
9	Echad Apts. Dominium	2620 Ruidosa Ave.	202	Seniors	\$0
11	Carolina Chase Apts. Terri Anderson	5351 Peterson Lane	200	Families	\$6,500,000
12	Preston Vue Apts. Zenstar/Pinnacle	SE Preston Rd./ McCallum Blvd.	80	Families	\$1,500,000
13	8255 Lofts DMA Development	8255 Park Lane	246	Families	\$3,000,000
14	Flora Lofts	2121 Flora Street	48	Families	\$2,000,000
	Totals		3,801		\$55,795,644

2014-2015 LIHTC Applicants



City of Dallas Available Funds

- The City of Dallas Housing/Community Services Department has approximately \$6 million in funds available to commit to gap financing for these projects
 - \$3M in federal funds
 - \$3M in general obligation bond funds for transit oriented developments and southern Dallas projects
- Other sources may include:
 - Tax Increment Financing District Funds
 - Tax Abatements
 - Housing Finance Corporation Bonds or Ownership
- Seventeen applicants have requested funding from the City of Dallas to gap finance their projects

Current Multifamily Priorities

- Permanent Supportive Housing/ Special Needs Housing
- New Construction
- Demolition & Reconstruction
- Projects located in an existing community revitalization program area, master planned area, or transit oriented development area

Current Multifamily Review Criteria Adopted by City Council January 23, 2008

1. Does the project fit in the City's priorities?
2. Has the City already provided financial assistance?
3. Does the project eliminate slum or blight?
4. Does the project have appropriate zoning?
5. Proximity & capability of schools for project
6. Comments of owners/residents surrounding project
7. Concentration of multifamily projects in an area
8. Has applicant agreed to incorporate safety/security features for project?
9. Willingness of applicant to address resident's concerns
10. Quality of proposed project
11. Project design and special accommodations for expected tenants
12. Will the project have adverse effect on the neighborhood?
13. Is the project compatible with existing or anticipated development of area?

Current Multifamily Review Criteria (continued)

14. Project compatibility with land uses in area
15. Parking demand & undue burden on public facilities
16. Traffic caused by the project
17. Existing or proposed public transit availability
18. Location, density, height of buildings effect on future development for area
19. Preservation of environmental assets and concern for landscaping
20. Managers reside on site
21. Financial capacity of applicant to complete & operate the project
22. Can the market absorb the new rental units?
23. One mile concern
24. Applicant has presented a suitable development plan for the entire development site
25. Any other factor relevant to the best interest of the City (includes consideration for fair housing)

Additional Considerations

- Allow for rehabilitation projects if the age of the building is no more than 20 years old
- City or Affiliate Ownership of Multifamily Units
 - If the project is permanent supportive housing
 - If the project commits to provide revenue above and beyond the value of the property tax exemption
- Priority for Mixed Income Projects
- No more than 20% LIHTC units per census tract unless it is located in a community revitalization program area, master planned area, or transit oriented development area
- Housing Plus Initiative-does project produce positive outcomes for supportive services or goals (e.g. transit, education, jobs, healthcare)?

Additional Considerations (continued)

- Voluntary Compliance Agreement signed with HUD
 - Continue to develop InspireDallas (Housing Plus)
 - Encouraging the development of affordable housing throughout the City
 - Creating greater economic opportunity in impoverished sectors of Dallas utilizing all sources of funds
 - Complete the Analysis of Impediments
 - Development of a Regional Housing Plan to provide affordable and assisted housing opportunities throughout the region which may include a siting policy for affordable housing

- On-going litigation between the Texas Department of Housing & Community Affairs (TDHCA) and Inclusive Communities Project (ICP) to be heard by Supreme Court in 2015

Next Steps

- On February 2, 2015, staff will provide an in-depth review of each proposal to the Housing Committee with recommendations based on priorities set by the committee
- On February 25, 2015, LIHTC projects will be presented to the full City Council for support
- March – July, 2015, further Council actions may be taken to further support the LIHTC projects approved on February 25, 2015

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 14, 2015
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 56L

SUBJECT

Authorize an amendment to Resolution No. 14-0661, Section 2 (a), previously approved on April 23, 2014, to extend the term of the maturity date from December 21, 2014 to December 21, 2015 for the loan agreement with Dallas Housing Authority for the Turner Courts Project located at 6601 Bexar Street – Financing: No cost consideration to the City

BACKGROUND

On November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts located at 6601 Bexar Street for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street. DHA obtained additional financing in the amount of \$10,200,000 to complete this project.

In October 2014, Dallas Housing Authority requested an extension to the term of the maturity date for the development loan for Turner Courts Project to December 21, 2015. The construction began promptly after closing the financing for the project. However, the contractor is behind schedule in completing the project in time to meet the estimated closing date for permanent financing and for repayment to the City. The newly estimated completion date for construction is December 2015.

This agenda item will authorize the City Manager to amend Resolution No. 14-0661, Section 2 (a) for the development loan agreement with Dallas Housing Authority for the Turner Courts Project.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements.

On December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas.

On November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street, by Resolution No. 09-2768.

On December 11, 2013, City Council authorized an amendment to the development loan to extend the term of the maturity date from December 21, 2013 to December 21, 2014.

On April 23, 2014, City Council authorized an amendment to Resolution No. 13-2059 Section 2 (e) of the development loan terms to reduce the private financing amount from \$37,000,000 to \$28,000,000.

FISCAL INFORMATION

No cost consideration to the City

OWNERS

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

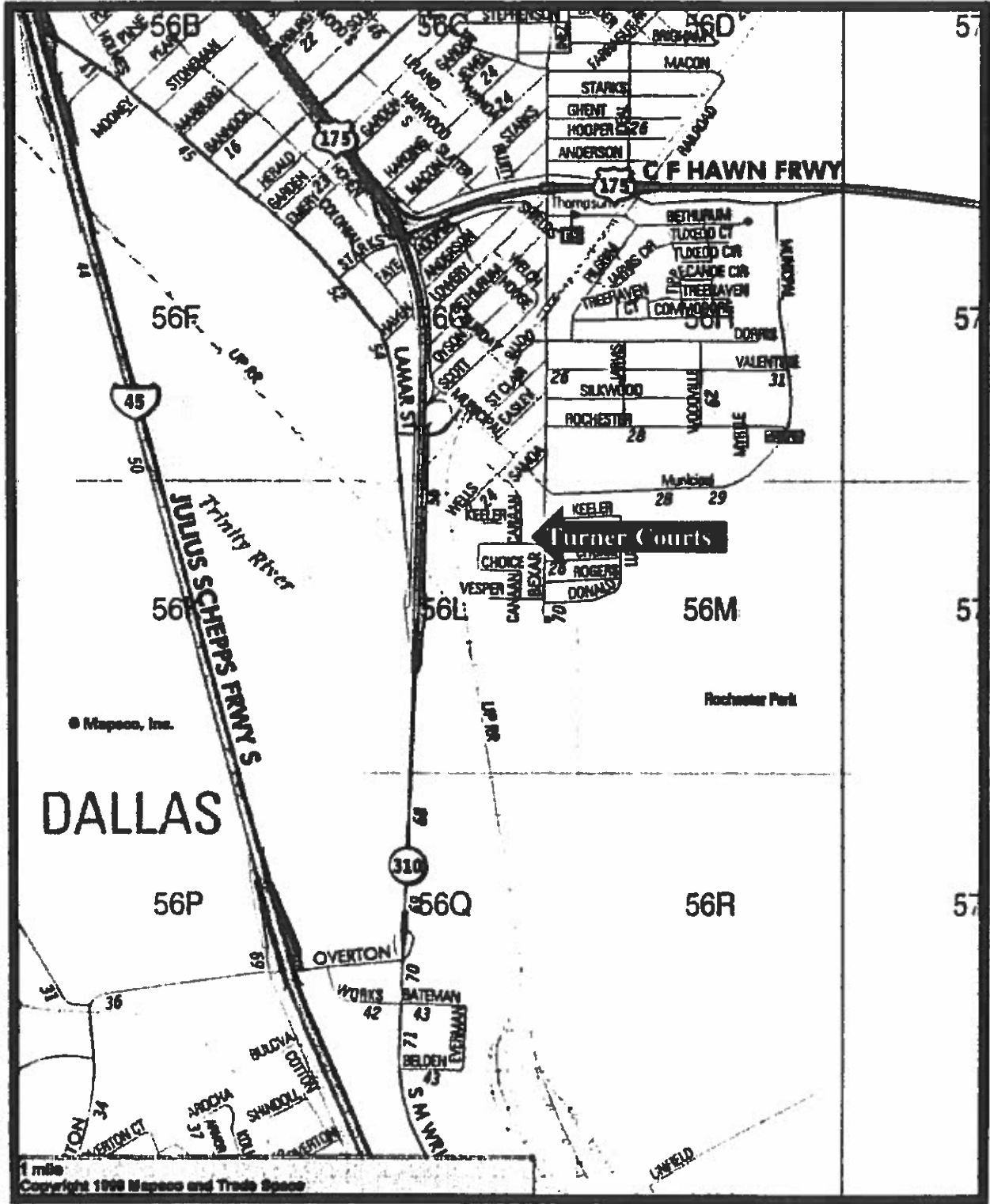
DEVELOPER

Dallas Housing Authority

MaryAnn M. Russ, Executive Director

MAP

Attached



MAPSCO 56L

January 14, 2015

WHEREAS, the City of Dallas has adopted an Economic Development and Transit-Oriented Plan for the Bexar Street Neighborhood which includes construction retail, commercial and mixed-use development; and

WHEREAS, on August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvement for the fostering of Economic Development projects; and

WHEREAS, on November 7, 2006, the voters of Dallas approved a \$1.35 billion General Obligation Bond Program of which \$41,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development; and

WHEREAS, on December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas; and

WHEREAS, on November 9, 2009, City Council approved a development loan in the amount of \$2,500,000 at 4% interest to Dallas Housing Authority (DHA) to provide infrastructure improvements for a 206-unit apartment project at Turner Courts for the purpose of constructing residential units in accordance with an adopted Economic Development and Transit Oriented Development Plan for Bexar Street, by Resolution No. 09-2768;

WHEREAS, on December 11, 2013, City Council authorized an extension to the term of the maturity date for the development loan for Dallas Housing Authority Turner Courts Project to December 21, 2014, by Resolution No. 13-2059;

WHEREAS, on April 23, 2014, City Council authorized an amendment to Resolution No. 13-2059 Section 2 (e) of the development loan terms to reduce the private financing amount from \$37,000,000 to \$28,000,000, by Resolution No. 14-0661.

WHEREAS, Dallas Housing Authority requested an amendment to the terms in Resolution No. 14-0661, Section 2 (a) for the development loan for Turner Courts Project;

NOW, THEREFORE,

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

January 14, 2015

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to amend Resolution No. 14-0661, Section 2 (a) approved on April 23, 2014 to extend the term of the maturity date from December 21, 2014 to December 21, 2015 for the development loan with Dallas Housing Authority Turner Courts Project located at 6601 Bexar Street within the Bexar Street Redevelopment Corridor in the amount of \$2,500,000 at 4% interest for infrastructure improvements for a 206-unit apartment project.

Section 2. That some of the terms of the loan documents include:

- a. Borrower's note payable to the City of Dallas will have a maturity date of December 21, 2015.
- b. Borrower must commit and/or expend all funds within two (2) years after execution of the loan agreement.
- c. Borrower shall execute deed restrictions and a deed of trust on all properties acquired through City of Dallas funds.
- d. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or replat change that Borrower may request for the properties.
- e. This loan is subject to DHA obtaining additional financing of at least \$28,000,000 needed to complete this project.
- f. Borrower will repay the City of Dallas in full by the maturity date of December 21, 2015.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of lien and intercreditor agreements with lenders providing acquisition or interim construction financing on the property as necessary.

Section 4. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute lien releases and terminate deed restrictions on the properties upon compliance with the terms of the contract.

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.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 14, 2015
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: N/A

SUBJECT

Authorize an amendment to the Mortgage Assistance Program (MAP) to modify the assistance categories as follows: **Category 1** will provide assistance up to \$14,000 with 5 year deed restrictions for Existing Homes and New Construction including non-profit and for-profit organizations; and **Category 2** will provide assistance up to \$20,000 with deed restrictions following HUD guidelines (currently 10 years if \$15,000 and above) for New Construction by Certified Housing Development Organizations (CHDO), New Construction on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in the Neighborhood Investment Program (NIP) Areas and any other Target Areas selected by the Housing/Community Services Department - Financing: No cost consideration to the City

BACKGROUND

The Mortgage Assistance Program (MAP) is funded with annual entitlement grant allocations from the U.S. Department of Housing and Urban Development (HUD). MAP provides principal reduction and closing cost assistance to eligible homebuyers to purchase a home in the City of Dallas. MAP provides homeownership opportunities for residents of the City of Dallas earning at or below 80% of area median family income.

MAP currently has three categories of funds: 1) eligible homebuyers purchasing existing homes may receive up to \$8,500 in principal reduction and closing cost assistance as a 5-year forgivable loan; 2) eligible homebuyers purchasing a home constructed by a Certified Community Housing Development Organization (CHDO) may receive up to \$20,000 in principal reduction and closing cost assistance as a 10-year forgivable loan; and 3) eligible homebuyers purchasing a new home that is constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (Land Bank) may receive up to \$10,000 in principal reduction and closing cost assistance as a 5-year forgivable loan.

BACKGROUND (continued)

By modifying the assistance categories, homebuyers could be served by additional non-profit and for-profit developers willing to build new homes for low to moderate income homebuyers while allowing greater incentives in focus areas where the City is targeting additional resources.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 20, 2012, the Housing Committee of the City Council was briefed on the MAP program changes for FY 2012-13 including bringing the Program in-house.

On September 26, 2012, the City Council approved the FY2012-13 Mortgage Assistance Program by Resolution No. 12-2403.

On February 27, 2013, the City Council approved an amendment to the FY2012-13 Mortgage Assistance Program to add a third category of assistance by Resolution No. 13-0406.

On June 26, 2013, the City Council approved the final FY 2013-14 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 13-1142.

On September 25, 2013, the City Council approved the FY2013-14 Mortgage Assistance Program by Resolution No. 13-1686.

On June 25, 2014, the City Council approved the final FY 2014-15 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 14-1001 (reconsidered and amended on August 13, 2014 by Resolution No 14-1314).

FISCAL INFORMATION

No cost consideration to the City

January 14, 2015

WHEREAS, homeownership is a high priority of the City of Dallas; and

WHEREAS, the Mortgage Assistance Program provides assistance to eligible homebuyers; and

WHEREAS, on September 26, 2012, the City Council approved the FY2012-13 Mortgage Assistance Program by Resolution No. 12-2403; and

WHEREAS, on October 1, 2012, the City began operating the Mortgage Assistance Program in-house; and

WHEREAS, on February 27, 2013, the City Council approved an amendment to the FY2012-13 Mortgage Assistance Program to add a new category of assistance by Resolution No. 13-0406; and

WHEREAS, on June 26, 2013, the City Council approved the final FY 2013-14 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 13-1142; and

WHEREAS, on September 25, 2013, the City Council approved the FY2013-14 Mortgage Assistance Program by Resolution No. 13-1686; and

WHEREAS, on June 25, 2014, the City Council approved the final FY 2014-15 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 14-1001 (reconsidered and amended on August 13, 2014 by Resolution No 14-1314); and

WHEREAS, the City desires to amend the Mortgage Assistance Program to modify the assistance categories to serve additional homebuyers through other non-profit and for-profit organizations willing to build new homes for low to moderate income homebuyers while allowing greater incentives in focus areas where the City is targeting additional resources;

NOW, THEREFORE,

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

January 14, 2015

Section 1. That modification to the Program Statement for the Mortgage Assistance Program (MAP) be approved as set forth in Exhibit A, to modify the assistance categories as follows: **Category 1** will provide assistance up to \$14,000 with 5 year deed restrictions for Existing Homes and New Construction including non-profit and for-profit organizations; and **Category 2** will provide assistance up to \$20,000 with deed restrictions following HUD guidelines (currently 10 years if \$15,000 and above) for New Construction by Certified Housing Development Organizations (CHDO), on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in the Neighborhood Investment Program (NIP) Areas and any other Target Areas selected by the Housing/Community Services Department.

Section 2. 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 MAP Program Statement.

Section 3. That the City Controller be authorized to encumber and disburse funds in accordance with the MAP 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 is accordingly so resolved.

EXHIBIT A

PROGRAM STATEMENT MORTGAGE ASSISTANCE PROGRAM (MAP)

Program Purpose:

- To provide homeownership opportunities to low to moderate income homebuyers through the provision of financial assistance in purchasing a home in accordance with federal, state and local laws and regulations.
- To incentivize new construction of homes for enhancement of the property tax base.

General Provisions:

- Homes must be located in the Dallas city limits.
- Homebuyer must successfully complete homeownership education from an approved counseling agency.
- Borrower may obtain a conventional, FHA, or portfolio loan through an approved lender. High cost or sub-prime loans, adjustable rate mortgages (ARM), interest only loans are not allowed. Borrower may also pay cash.
- For this program, low to moderate income is defined as a household with calculated income at 80% or less of the Area Median Family Income, adjusted for family size.
- Sufficient income and household size documentation to certify eligibility per HUD guidelines is required.
- Borrower must be a U.S. citizen or a permanent resident, and possess a valid social security card.
- Borrower must occupy the property as a primary residence.
- All properties purchased under this program must meet federal and local requirements including Minimum Acceptable Property Standards (MAPS) and international residential code.
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act.

- Homebuyer mortgage affordability must meet front-end debt ratio of 35% and back-end debt ratio of 45%.
- The maximum amount of assistance to be used to pay Borrower's closing costs is \$4,000. Cash back at closing and discount points paid by the Borrower are not allowed.
- The City Manager, or his designee, is authorized to implement the Mortgage Assistance (MAP) program as per this Program Statement, execute any documents necessary to implement this program, and grant waivers to the Mortgage Assistance Program guidelines, as set forth in this Program Statement, without further City Council authorization, on a case by case basis.
- Under exceptional cases, loan guarantees may be granted for Community Housing Development Organizations (CHDOs) that provide permanent mortgage financing and have the financial capacity to pay back the MAP loan in the event of default. Guarantees must receive Housing/ Community Services Director approval.
- The City Manager, or his designee, upon legal review and approval by the City Attorney's Office, is authorized pursuant to the Mortgage Assistance Program to: a) endorse on behalf of the City of Dallas, as the lien holder, insurance recovery checks issued by insurance companies to borrowers for any recovery of property damage(s) under borrower's homeowners insurance policies; and b) authorize the insurance recovery proceeds to be used by borrowers to repair the damaged properties secured by City liens.
- The City Manager, or his designee, is authorized to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements.
- Assistance may be provided from only one of the categories listed below.

Categories of Assistance:

Category #1: Homebuyer Assistance for Existing Homes and New Construction by Non-Profit and For-Profit Organizations

- Provide (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for existing homes in this category.
- An existing home is defined as a home which was previously occupied by another homeowner and a new home is defined as a home which has not been previously occupied by another homeowner.

- Subsidy amount up to ~~\$8,500~~ \$14,000.
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven over a five year period.
- All properties assisted with MAP funds must meet Minimum Housing Standards (MHS). As part of the total subsidy for existing homes, MHS repair funds cannot exceed \$1,500.

Category #2: Homebuyer Assistance for New Construction by Community Housing Development Organizations (CHDO) Homes, New Construction on lots purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) and New Development in Neighborhood Investment Program (NIP) areas or any other Target area selected by the Housing/Community Services Department

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes in this category.
- A newly constructed (~~CHDO~~) home is defined as a home which has not been previously occupied by another homeowner and ~~constructed by a City of Dallas-Certified CHDO~~
-
- Subsidy amount up to \$20,000
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property pursuant to HUD guidelines (currently for a ten (10) year term if the amount borrowed is \$15,000 or greater) for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven pursuant to HUD guidelines. Currently over a ten year period if amount borrowed is \$15,000 or greater and over 5 years if amount borrowed is \$14,999 and less.
- ~~Each CHDO, including affiliates, is limited in its access to total funding up to 50% of the available funding for this category.~~

~~Category #3: Homebuyer Assistance for Newly Constructed Homes on Lots Purchased from the Dallas Housing Acquisition and Development Corporation (City of Dallas Land Bank)~~

- ~~● Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes on Land Bank lots~~
 - ~~● A newly constructed home is defined as a home which has not been previously occupied by another homeowner~~
 - ~~●~~
 - ~~● Subsidy amount up to \$10,000~~
- ~~=~~
- ~~● Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction assistance provided.~~

~~The lien is amortized and forgiven over a five year period.~~

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 7, 2015
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 55X

SUBJECT

Authorize an amendment to Resolution No. 14-1728, previously approved on October 8, 2014, to redefine loan terms for a \$1,000,000 loan and a \$959,913 grant to City Wide Community Development Corporation from Community Development Block Grant funds for construction costs for the Serenity Place Apartments - Financing: No cost consideration to the City

BACKGROUND

In July 2014, City Wide Community Development Corporation was approved for 9% Low Income Housing Tax Credits for Serenity Place Apartments, L.P. by the Texas Department Housing Community Affairs (TDHCA) for the 2014 Low Income Housing Tax Credit Program. The project includes 45 multifamily units for permanent supportive housing, consisting of 40 two-bedroom units and 5 three-bedroom units.

Due to the complexity of the financing for the project, the developer has requested redefined terms be detailed in the resolution.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credit financing, when the State of Texas does not require direct City of Dallas approval by Resolution No.10-0498.

On February 18, 2014, the Serenity Place Apartments' Low Income Housing Tax Credit multifamily project was briefed to the Housing Committee.

PRIOR ACTION/REVIEW (Council, Boards, Commissions) (continued)

On February 26, 2014, the City Council authorized (1) support for the TDHCA 9% LIHTC application for Serenity Place Apartments; (2) a loan in the amount of \$1,000,000 for the construction costs; (3) a grant in the amount of \$959,913 for construction costs; and (4) a predevelopment grant in the amount of \$38,000 for costs associated with the tax credit by Resolution No. 14-0462.

On October 8, 2014, the City Council authorized more defined terms to the loan agreement by Resolution No. 14-1728.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

DEVELOPER

City Wide Serenity Place Apartments, L.P.

Carleton Residential Properties

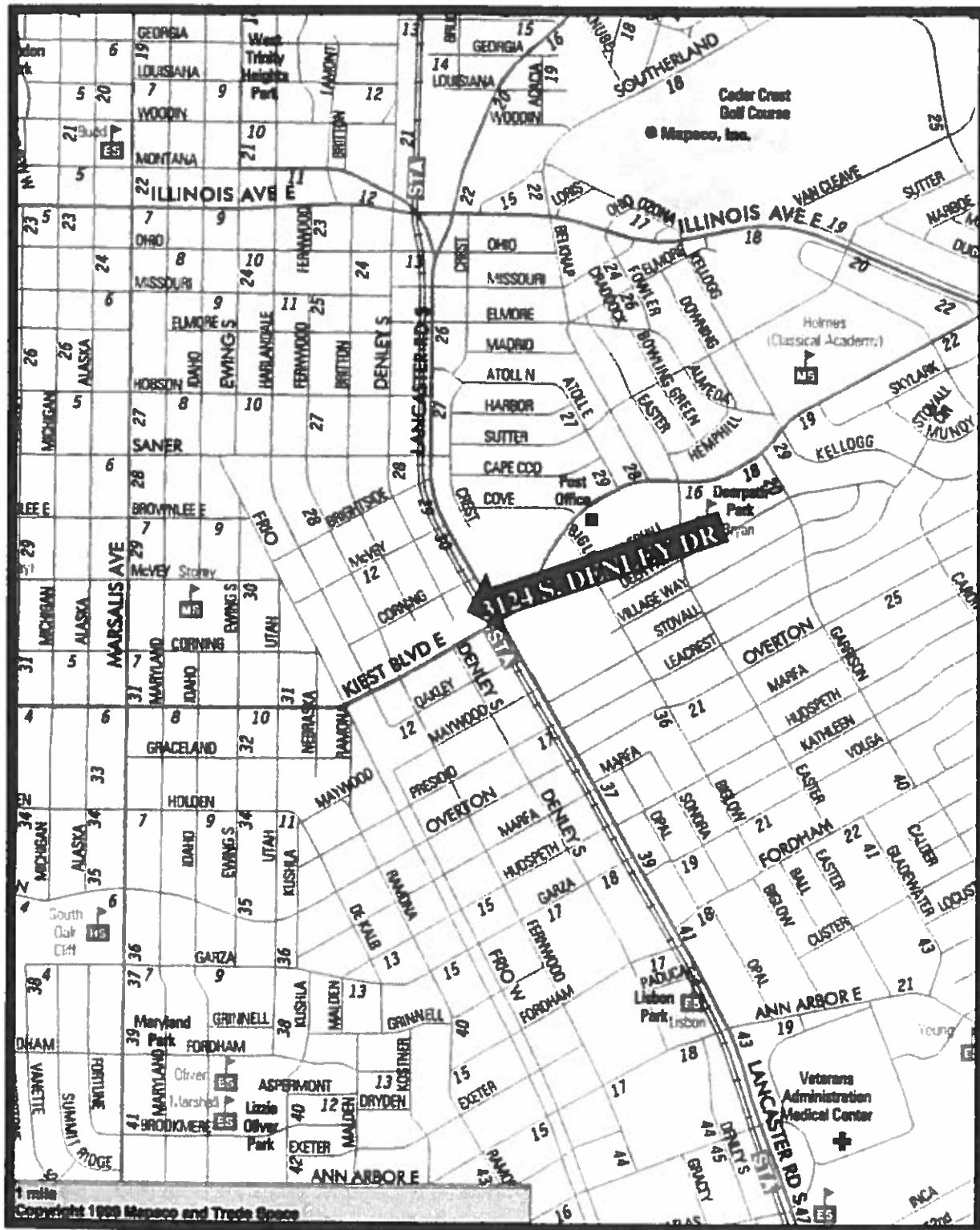
**City Wide Community Development Corp.
Sherman Roberts, President & CEO**

**Carleton Construction, Ltd.
Neal Hildebrandt, President**

CWCDC Serenity GP, Inc., GP

MAP

Attached



MAPSCO 55X

January 7, 2015

WHEREAS, City Wide Community Development Corporation, on behalf of City Wide Serenity Place Apartments, L.P. was approved by the Texas Department of Housing & Community Affairs (TDHCA) for 2014 9% Housing Tax Credits for Serenity Place Apartments, a development for affordable rental housing at 3124 South Denley in the City of Dallas; and

WHEREAS, pursuant to §11.9(d)(7) Community Revitalization Plan, the Lancaster Corridor/Cigarette Hill Community Revitalization Plan (CRP) was adopted by the City Council on December 12, 2012 with a total budget or projected economic value of \$6,000,000 or greater and Serenity Place Apartments is located within this CRP area; and

WHEREAS, the Housing Tax Credit multifamily project to be located at 3124 South Denley Drive is selected as contributing most significantly to the concerted revitalization efforts of the city, pursuant to §11.9(d)(7)(A)(ii)(III) of the 2014 Housing Tax Credit Qualified Allocation Plan; and

WHEREAS, on February 26, 2014, the City Council approved (1) support for the TDHCA 9% LIHTC application for Serenity Place Apartments; (2) a loan in the amount of \$1,000,000 for the construction costs; (3) a grant in the amount of \$959,913 for construction costs; and (4) a predevelopment grant in the amount of \$38,000 for costs associated with the tax credit by Resolution No. 14-0462 the Applicant has submitted a request for gap funding of \$1,997,913 from the City of Dallas which has been authorized by Resolution No. 14-0462; and

WHEREAS, the City Council authorized more defined terms to the loan agreement by Resolution No. 14-1728; and

WHEREAS, the City of Dallas desires to provide terms to the contract; **NOW, THEREFORE,**

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

SECTION 1. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a loan agreement in the amount of \$1,000,000 to City Wide Community Development Corporation (CWCDC), or Applicant for the development costs, including soft and hard construction costs, at 3124 South Denley Drive with the following terms:

SECTION 2. The loan agreement is contingent upon,

- a. CWCDC, or its wholly owned subsidiary, being awarded 2014 9% tax credits.
- b. CWCDC must adhere to all applicable CDBG Program requirements.

January 7, 2015

- c. CWCDC must execute a note, deed of trust, and deed restriction to the City for a 35-year affordability period.
- d. The outstanding principal balance of the City's \$1,000,000 loan shall bear an interest rate of 1% with interest only annual payment from available cash flow over a period of 35 years. The loan's maturity date shall be the earlier of (i) completion of the 35-year term, or (ii) sale or other transfer of the property.
- e. The loan may be subordinated to lenders.

SECTION 3. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a grant in the amount of \$959,913 to City Wide Community Development Corporation (CWCDC), or Applicant, to mitigate basis and tax issues only, for construction costs for the development at 3124 South Denley Drive. The following terms apply:

- a. CWCDC, or its wholly owned subsidiary, must be awarded 2014 9% tax credits.
- b. CWCDC must adhere to all applicable CDBG Program requirements.
- c. CWCDC must complete construction and receive a certificate of occupancy.
- d. Fifty one percent of the units must be occupied by low-income households at or below 80% AMFI.
- e. Rents will be set at Fair Market Rents or other acceptable levels defined by TDHCA.
- f. CWCDC must execute a note, deed of trust, and deed restriction to the City for performance only. Once 51% of the units are occupied, the loan will be forgiven.
- g. The loan may be subordinated to construction and permanent lenders.

SECTION 4. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a predevelopment grant in the amount of \$38,000 to City Wide Community Development Corporation (CWCDC), or Applicant, for costs associated with the TDHCA 9% application, not conditioned upon 2014 9% LIHTC award.

SECTION 5. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a subordination of lien to a lender who is providing construction financing on the property.

January 7, 2015

SECTION 6. That the City of Dallas' funding and endorsement of the TDHCA LIHTC application for the project, Serenity Place Apartments, will be contingent on the following: (1) the Project Owner expending a minimum of \$40,000 (a minimum of \$40,000 or \$200 per unit per year, whichever is greater) for social services for the residents of the development, at no cost, based on a survey of resident's needs, to be implemented within three months of project completion; (2) inclusion of this requirement in the City's Deed Restrictions containing the social services requirement (up to 50% of the social services requirement can be fulfilled with in-kind social services provided the Housing/Community Services Department gives prior approval to the social services plan).

SECTION 7. That before receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas Sustainable Development and Construction Department with regard to security related design standards.

SECTION 8. That the City of Dallas' funding and endorsement for this project will be contingent on the Project Owner paying to the City an annual monitoring review fee in the amount of \$500, beginning on the anniversary of the closing on the 9% tax credits and ending at the end of the tax credit compliance.

SECTION 9. 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.

SECTION 10. 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: January 7, 2015
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 55X

SUBJECT

Authorize an amendment to Resolution No. 13-1926, previously approved on November 12, 2013, to subordinate the possibility of reverter with right of reentry contained in the Deed Without Warranty conveying six tracts of land to City Wide Community Development Corporation to the first lien deed of trust in favor of Bank of America and any other first lien deed of trust related to a new refinanced loan (list attached) - Financing: No cost consideration to the City

BACKGROUND

The City conveyed the six tracts of land to City Wide Community Development Corporation for the development of affordable housing pursuant to that certain Deed Without Warranty dated December 12, 2013. Due to the complexity of the financing for the project and since the statutory requirement to develop the property as affordable housing has been satisfied by the award of the 9% Low Income Housing Tax Credits, the developer has requested release of the possibility of reverter with right of reentry and termination of the Deed Restrictions.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On November 12, 2013, the City Council approved the conveyance of six tracts of land to be included in the Serenity Place Apartments for the development of affordable housing by Resolution No.13-1926.

On February 26, 2014, the City Council approved an amendment to the Deed Restrictions for the Serenity Place Apartments development to remove the definition of "Permanent Supportive Housing" and to revise the definition of "Low Income Family" to include both men and women with children by Resolution No. 14-0451.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

City Wide Serenity Place Apartments, L.P.

**City Wide Community Development Corp.
Sherman Roberts, President & CEO**

CWCDC Serenity GP, Inc., GP

MAP

Attached

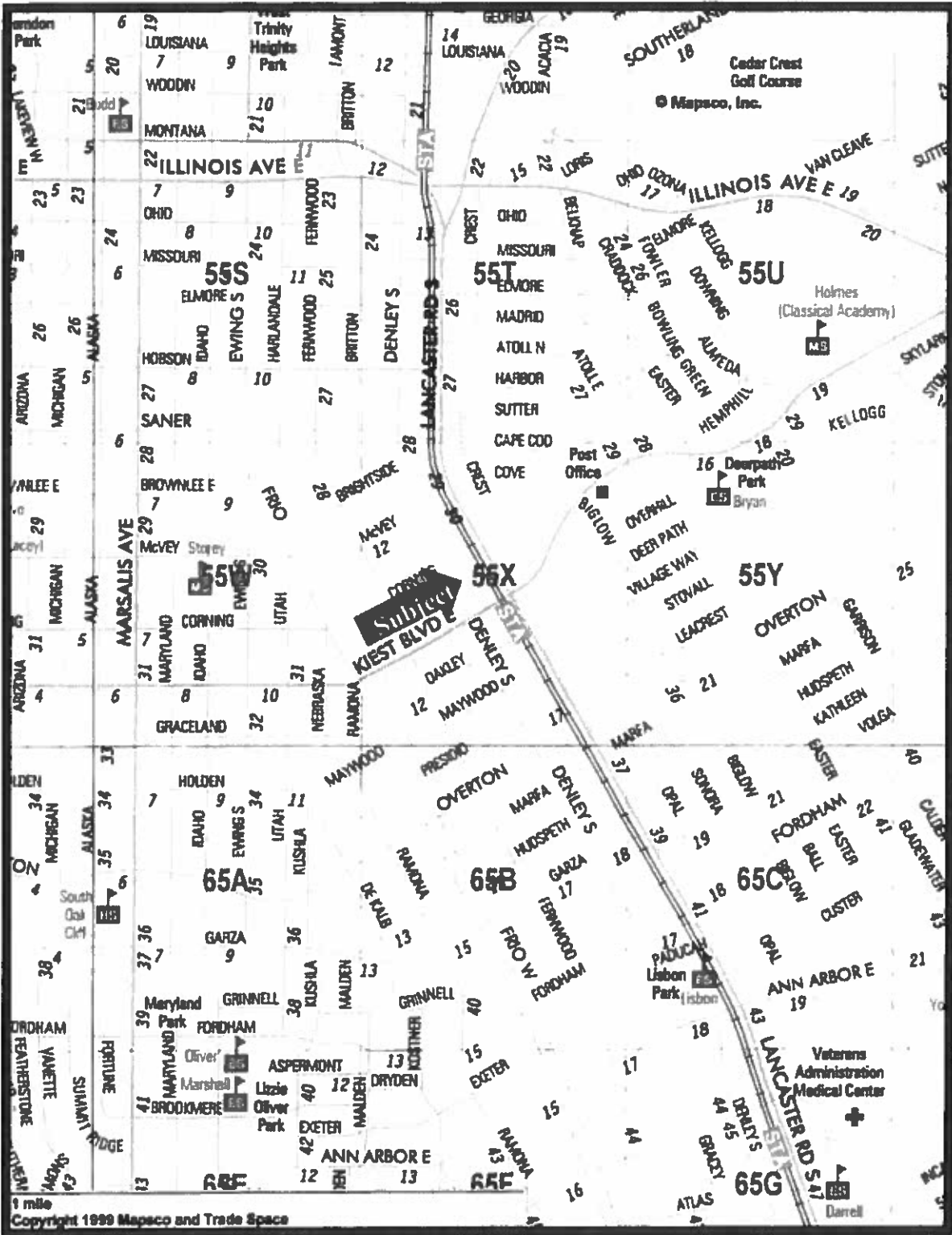
DEVELOPER

**Carleton Residential
Properties**

**Carleton Construction, Ltd.
Neal Hildebrandt, President**

**Lots Previously Conveyed to
City Wide Community Development Corporation**

Parcel No.	Address	DCAD Amount
1	1310 E. Corning	\$24,000
2	3106 S. Denley	\$11,000
3	3110 S. Denley	\$26,490
4	3114 S. Denley	\$23,430
5	3118 S. Denley	\$26,700
6	3122 S. Denley	\$38,990



MAPSCO 55X

January 7, 2015

WHEREAS, on November 12, 2013, the City Council approved the conveyance of six tracts of land identified by legal description ("Property") on Exhibit A attached hereto and made a part hereof to City Wide Community Development Corporation, a Texas nonprofit corporation ("City Wide"), for the development of a forty-five (45) unit low-income housing project to be known as Serenity Place Apartments (the "Project"); and

WHEREAS, the Deed Without Warranty contains certain deed restrictions and a possibility of reverter with right of reentry to ensure that the Property is developed as an affordable housing project leased to eligible low-income families; and

WHEREAS, City Wide has obtained approval from the City to replat the Property with additional real property owned by City Wide, in satisfaction of requirement for the same contained in the deed restrictions and the possibility of reverter with right of reentry; and

WHEREAS, City Wide, by and through its ownership and control over is the sole shareholder of CWCDC Serenity GP, Inc., a Texas corporation, and has formed City Wide Serenity Place Apartments, LP, a Texas limited partnership, for the purpose of owning, developing, and leasing the Project as affordable housing for homeless families; and

WHEREAS, City Wide Serenity Place Apartments, LP has secured Low Income Housing Tax Credits ("LIHTC") and other financing; and

WHEREAS, City desires to release the possibility of reverter with right of reentry and terminate the deed restrictions since the intended use as affordable housing has been satisfied by the LIHTC award;

NOW, THEREFORE,

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

SECTION 1. That the City Manager is authorized to execute an instrument, approved as to form by the City Attorney, releasing the City's reverter rights and terminating the deed restrictions to the Property.

SECTION 2. 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

<u>Parcel No.</u>	<u>Property Address</u>	<u>Legal Lot</u>	<u>Description Block</u>
1	1310 E. Corning	1	D/3891
2	3106 S. Denley	2	D/3891
3	3110 S. Denley	3	D/3891
4	3114 S. Denley	4	D/3891
5	3118 S. Denley	5	D/3891
6	3122 S. Denley	6	D/3891

Memorandum



DATE January 2, 2015

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

SUBJECT Section 108 Guaranteed Loan for Plaza Hotel Project

At the January 14, 2015 Council meeting, you will consider an addendum agenda item to accept a Section 108 Guaranteed Loan award from HUD in the amount of \$11,000,000 for development of the Plaza Hotel project located at 1011 S. Akard St. The HUD award notice was released on December 31, 2014.

Please let me know if you have any questions.


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