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Memorandum
DALLAS, TEXAS



CITY OF DALLAS

REVISED

DATE January 16, 2015

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

SUBJECT January 20, 2015 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Tuesday January 20, 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 January 5, 2015 Minutes
Carolyn R. Davis
Councilmember
2. Closed session to receive legal advice from City Attorney on proposed amendments to boarding home ordinance (§ 551.071, T.O.M.A.)
Chris Bowers, First
Assistant City Attorney
(Estimated time 10 minutes)
3. Proposed Amendments to Boarding Home Facilities Ordinance
Kris Sweckard, Director
Code Compliance
(Estimated time 25 minutes)
4. Community Housing Development Organizations (CHDO) and Operating Assistance Grants (OAG)
Mitchell/O'Donnell
(Estimated time 20 minutes)
5. Single Family Notice Of Funding Availability (NOFA)
Mitchell/O'Donnell
(Estimated time 20 minutes)
6. Upcoming Agenda Items
Housing Items Only
For Information Only
 - a. Hatcher Gardens Contract Extension



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 January 5, 2015

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: January 5, 2015

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 Theresa O' Donnell-Chief Planning Officer/PNV Charles Brideau-Asst. Director/HOU Beverly Davis-Asst. Director/FHO Don Baber-HOU Cynthia Rogers-Ellickson-HOU Robin Bentley-CAO Charles Estee-CAO Michael Bostic-CAO Samuel Oviedo--MCC Doris Edmon-HOU Renita Griggs-MCC Alida Allen-HOU Priscylla Bento-SEC Brian Price-HOU</p>
<p><u>Other Council Members Present:</u></p>	<p><u>Other Attendees</u> Ellen Rourke-NHA Stacey Roth-UMID Kristen Schulz-Dallas Area Habitat for Humanity Susan Watkins-ICP Ann Lott-ICP Sherman Roberts-City Wide CDC Buddy Jordan-Ashwood Evergreen</p>
<p><u>Committee Members Absent:</u></p>	

AGENDA:

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

1. Approval of December 1, 2014 Minutes of the Housing Committee

Presenter(s): Council Member Scott Griggs

Action Taken/Committee Recommendation(s)

Motion made by: CM Dwaine Caraway	Motion seconded by: CM Rick Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: <u> </u>
Item failed unanimously: <u> </u>	Item failed on a divided vote: <u> </u>

Follow-up (if necessary):

2. **2015 Low Income Housing Tax Credit Program**
 Presenter(s): Theresa O' Donnell, Chief Planning Officer/Bernadette Mitchell, Interim Director/Don Babers, HOU

Information Only: X

Action Taken/Committee Recommendation(s)

Motion made by:	Motion seconded by:
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. 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

Information Only:

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

Motion made by: CM Dwaine Caraway	Motion seconded by: CM Carolyn R. Davis
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 Scott Griggs

Meeting Adjourned: 12: 01 P.M.

Approved By: _____

Memorandum



DATE January 16, 2015

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

SUBJECT Proposed Amendments to Boarding Home Facilities Ordinance

On Tuesday, January 20, 2015 you will be briefed on Proposed Amendments to Boarding Home Facilities Ordinance. A copy of the briefing is attached.

Please let me know if you have any questions.



Joey Zapata
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
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Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Proposed Amendments to Boarding Home Facilities Ordinance

Presented to the
Housing Committee
January 20, 2015



City of Dallas



Boarding Home Facilities Ordinance

- Chapter 8A of the Dallas City Code was adopted by City Council on June 27, 2012 to ensure that:
 - Residents live in safe, sanitary, and decent housing
 - Residents are not abused, neglected, or exploited by owners, operators, or employees
 - Adequate Fire-Rescue and Police personnel and vehicles are available to serve these residents
 - The City can identify and facilitate appropriate responses for residents who may require special assistance during an emergency or at any other time

Definition of “Boarding Home Facility (BHF)”

- ❑ Furnishes **lodging to 3 or more persons** unrelated to the owner of the establishment by blood or marriage;
- ❑ Provides **services** such as meals, housework, transportation, money management, laundry services, or assistance with the self-administration of medication (but does not provide personal care services); **AND**
- ❑ Is **not exempt** under § 8A-5 (e.g., various entities licensed by the State, hotels, monasteries, dorms, etc.)

BHF Licensing Overview

- ❑ Sworn application, related materials, and \$500 fee
- ❑ Criminal background checks
- ❑ Proof of payment of ad valorem taxes, fees, fines, and penalties
- ❑ Annual inspections
- ❑ Fire and other emergency precautions
- ❑ Record-keeping and posting requirements

BHF Licensing Overview

- ❑ Basic property maintenance
- ❑ Compliance with existing safety and sanitation codes and with regulations for doors, windows, bed spacing, ceiling height, accessibility, pillows and sheets, bathrooms, kitchens, laundry facilities, dining rooms, and water quality
- ❑ Initial screenings, individualized assessments, and periodic monitoring of residents
- ❑ Residency prohibitions for certain individuals
- ❑ Illegal drug use prohibitions and consequences

BHF Licensing Overview

- ❑ Staff training
- ❑ Investigation, documentation, and notification requirements for injuries, abuse, neglect, exploitation or other incidents
- ❑ Medication log and reminders
- ❑ Locked areas for all medications
- ❑ Conflict of interests prohibitions
- ❑ Signed service agreements between residents and operators

Other Notable BHF Provisions

- Fee waivers
- Reasonable accommodations
- Enforcement
 - Suspensions and revocations
 - Fines up to \$2,000
 - Emergency closing order
 - Civil lawsuit (civil penalties and injunctive relief)

Implementation Actions to Date

□ October 2012

- Ordinance took effect October 1, 2012
- Application and pertinent information posted on the city's website
- 311 call center staff trained to provide and gather information based on new requirements for BHF's
- Staff provided ordinance information and registration forms through on-site visits to known facilities

□ November 2012

- Training conference held at Fair Park Music Hall with participation of 125 BHF's

Implementation Actions to Date

- December/January 2013
 - 226 notices issued to previously identified facilities to initiate the licensing process
- Spring 2013
 - Follow-up notices sent to 88 non-responsive facilities
 - Determined that the ordinance did not apply to a number of these facilities
 - Facilities providing personal care services, licensed by the State, less than 3 residents, etc.
 - On-site inspections revealed 158 facilities in operation that are required to adhere to the ordinance

Results to Date

- January 2015
 - Additional on-site inspections have revealed 30 more facilities in operation
- Current status of 188 BHF's
 - 54 facilities have voluntarily closed
 - 50 facilities have been licensed
 - 79 facilities have submitted licensing applications and are in various stages of review and/or inspections (applications are pending)
 - 4 facilities have not submitted applications
 - 1 application has been denied
 - 1 temporary restraining order (TRO) has been obtained

Results to Date

- ❑ 1,043 inspections and re-inspections have been conducted
- ❑ 52 Citations have been issued
 - 35 Operating without a license
 - 2 Electrical hazard (exposed wiring)
 - 2 Plumbing violations (leaky faucets, clogged drains)
 - 1 Illegal fence
 - 2 No building permit
 - 3 Structure not weather/water tight (leaky roof, weather stripping)
 - 6 Failure to protect exterior surface (peeling paint, exposed wood)
 - 1 Failure to register rental property

Previously Approved Amendments

- ❑ The briefing given to this Committee on January 6, 2014 provided recommendations for amending the ordinance, including:
 - Adding deadline for completing applications
 - Requiring letter of authorization from property owner
 - Modifying zoning verification letter requirement
 - Amending select conflict of interests provisions
 - Altering definitions of BHF and licensee
 - Toughening enforcement against BHFs that fail to apply for a license
 - Amending various sections to better address privacy concerns regarding disability-related information

Previously Approved Amendments

- Additional recommendations included:
 - Clarifying application's criminal background check requirement for employees
 - Reducing lifetime ban on potential residents with certain drug convictions
- Committee approved recommendations are in the final stages of drafting
- In the meantime, additional issues were identified that call for the ordinance to be amended further

Outline of Additional Proposed Amendments

- ❑ Definitions
- ❑ Application Process
- ❑ Monetary Issues
- ❑ Reasonable Accommodations
- ❑ Permit & License Appeal Board
- ❑ Criminal History Issues
- ❑ Enforcement
- ❑ Miscellaneous

Definitions

Amend definitions for:

- **“Conviction”** – include deferred adjudication
- **“Employee”** - include people receiving non-monetary forms of compensation and address non-profits
- **“Good neighbor agreement”** – reconcile potential conflict with language in suspension and revocation sections

Definitions

Amend definitions for:

- **“Injury, Incident, or Unusual Accident”** – limit to events that occur at BHF’s premises or under licensee’s supervision

- **“Licensee”**
 - Add threshold of minimum ownership interest
 - Add individuals who exercise *de facto* control over a BHF
 - Add directors and board members of entity owning or operating a BHF

Definitions

- **“Operator”** – expand to include anyone exerting control over a BHF, including non-profit actors

- **“Owner”**
 - Include those who personally own BHF
 - Include entities operating BHF
 - Add a threshold of minimum ownership interest

Definitions

Add definitions for:

- **“Own”** and **“operate”** – currently an offense to “own” or “operate” a BHF without a license (§ 8A-4)
- **“Volunteer”** – add to ensure access to criminal background histories

Application Process

- ❑ Threshold issue: exemptions
 - ❑ Address issue of pending applications for State licenses
 - ❑ Detail City's enforcement options when person claiming religious exemption fails to comply with safety, sanitary, and/or quarantine laws
- ❑ Require that application identify roles of each BHF owner, operator, employee, and volunteer

Application Process

- ❑ Require contact information, copy of ID, and criminal background checks for volunteers
- ❑ Limit “pending application” safe harbor provision solely to offense of owning or operating a BHF without a license

Application Process

- ❑ Grounds for denying BHF license application:
 - ❑ Add failure to provide or disclose all required information and documents
 - ❑ Require volunteers to pass criminal background checks
 - ❑ Failure to pay ad valorem taxes, fees, fines, and penalties:
 - Tie to specific location seeking the BHF license
 - Target delinquency rather than amount “owed”
 - ❑ Discuss how pending appeal of a suspension or revocation impacts other BHF license applications by same owner or operator

Application Process

- ❑ Add mandatory waiting period for re-applying after BHF license has been revoked
- ❑ Renewals
 - ❑ Clarify that new criminal background checks and \$500 licensing fee are required annually
 - ❑ Require application to be signed under penalty of perjury
 - ❑ Explain that pending renewal application does not affect the expiration date of previously issued BHF license

Monetary Issues

- Requests for fee waivers
 - Incorporate into reasonable accommodations section
 - Address how pending appeal of fee waiver decision would affect new application deadline
- Require that licensee keep financial records when assisting a resident with general money management
- Amend “representative payee” provisions since the Social Security Administration—not the resident—selects the representative payee

Reasonable Accommodations

- ❑ Modify reasonable accommodation requirements to address oral requests
- ❑ Clarify timing of director's decision
- ❑ Delete licensee's record-keeping requirement for reasonable accommodations since the City already has that information

Permit & License Appeal Board

Director's BHF decisions are appealable to the Permit and License Appeal Board ("PLAB"):

- ❑ Fee waivers
- ❑ Requests for reasonable accommodations
- ❑ Denials of license applications
- ❑ Suspensions
- ❑ Revocations
- ❑ Emergency closing orders

Permit & License Appeal Board

- ❑ Require written decisions by director for all appealable actions
- ❑ Ensure consistent mailing requirements
- ❑ Include tolling provisions
- ❑ Identify relevant time period for PLAB's decision

Permit & License Appeal Board

- ❑ PLAB's authority with respect to good neighbor agreements:
 - ❑ Prohibit licensee's appeal of good neighbor agreement
 - ❑ Bar PLAB from imposing good neighbor agreement in connection with appeal of suspension or revocation
- ❑ Add burden of proof provision for PLAB appeals
- ❑ Revise ordinance's procedures for appealing to PLAB to ensure consistency

Criminal History Issues

- ❑ Require official Texas DPS criminal history report with a fingerprint card issued within the past 12 months
- ❑ Require applicant—rather than City—to obtain all necessary criminal background checks

Criminal History Issues

- Add new 5-year disqualifying offenses:
 - Failure to report abuse, neglect, or exploitation of adult with a disability
 - Theft
 - Interference with an emergency call
 - DWI (if BHF provides transportation)
 - Harassment
 - Attempt, conspiracy, and solicitation offenses

Criminal History Issues

- ❑ Require criminal history background checks for BHF volunteers
- ❑ Require criminal background checks for every state in which the BHF owner, operator, employee, or volunteer lived within the previous 12 months
- ❑ State that pending appeal of conviction has no effect on the criminal history disqualification

Criminal History Issues

- ❑ Require applicant or licensee to notify City when any new criminal convictions or charges are brought against BHF owners, operators, employees, or volunteers
- ❑ Alter psycho-sexual evaluation requirements for sex offenders

Enforcement

- ❑ Add minimum fines
 - ❑ Baseline minimum fines
 - ❑ Increased minimum fines for subsequent offenses

- ❑ Enable director to suspend or revoke license if possession, use, or sale of controlled substances occurs at a BHF
 - ❑ Suspension for first offense
 - ❑ Revocation for second offense within 12 months

Enforcement

- Identifying potential BHF's in apartment complexes
 - Require disclosures by property owner or manager to City when any person or entity leases a block of apartment units and provides services to residents:
 - Contact information for person or entity leasing units
 - Number of units leased
 - Location of units
 - Number of residents in each unit
 - Description of any services provided on-site by person or entity leasing units
 - Check as part of multi-family inspections
 - Require property owner or manager to notify City whenever a new block of units is leased and being used as a potential BHF

Miscellaneous

- ❑ More narrowly tailor various disability-related provisions
- ❑ Slightly alter immediate expulsion requirement for drug use and people constituting a “direct threat”
- ❑ Modify § 8A-23’s presumption regarding number of residents
 - ❑ Circumstances other than number of beds can aid inspectors’ determination regarding number of residents

Miscellaneous

- ❑ Add requirement to exterminate insects, rodents, and other pests at BHF's
- ❑ Reconcile potentially conflicting personal care services provisions
- ❑ Amendments to make certain semantic, grammatical, and structural changes and to ensure consistent use of terminology

Next Steps

- Amend § 51A-4.209(b)(3.1) of the Dallas Development Code to address spacing of handicapped group dwelling units

Questions?

Memorandum



CITY OF DALLAS

DATE January 16, 2015

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

SUBJECT Community Housing Development Organizations (CHDO) and Operating Assistance Grants (OAG)

On Tuesday January 20, 2015, you will be briefed Community Housing Development Organizations (CHDO) and Operating Assistance Grants (OAG). 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
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COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO) AND OPERATING ASSISTANCE GRANTS (OAG)

**A BRIEFING TO THE HOUSING
COMMITTEE**

**HOUSING/COMMUNITY SERVICES
DEPARTMENT
JANUARY 20, 2015**



PURPOSE

- To provide a follow-up to the November 3, 2014 briefing regarding process changes for certified Community Housing Development Organizations (CHDOs)
- To provide a recommendation for CHDO Operating Assistance Grants

BACKGROUND

- On November 3, 2014, the Housing/Community Services Department briefed the Housing Committee on HUD's "Final HOME Rule" changes published in the Federal Register on July 24, 2013
- The Department also identified the need for process changes for the City's nonprofit partners to match HUD's rule changes

IMPACT OF HOME PROGRAM CHANGES SPECIFIC TO CHDOS

- Certification
- Operating Assistance
- Project submissions
- Faster production of housing units
- Greater degree of reporting and compliance

CHDO CERTIFICATION REQUIREMENTS

- Legal Status- 501 (c) 3
- Organizational structure- one third of Board Members must be low-income
- Capacity and experience- paid staff with at least two years experience in housing development
- Financial Statements- current financial statements and most current audit
- Business Plan- two-year business plan

CHDO PROCESS CHANGES FOR CERTIFICATION

- On November 17, 2014 the CHDO certification renewal was made available to nonprofits who were certified during the year
- On December 19, 2014 the materials needed to renew certification were due
- Five CHDOs presented their materials for renewal

CHDO PROCESS CHANGES FOR OPERATING ASSISTANCE

- On November 17, 2014, Operating Assistance Grant applications were made available to CHDOs that were certified during the year
- On December 19, 2014, the applications were due
- The FY 14-15 budget for Operating Assistance Grants is \$175,000
- On January 9, 2015, a review committee made up of four bankers and a representative from Fannie Mae discussed the applications and provided a recommendation for awards

HUD GUIDANCE

Sec. 92.504(c)(6) - *Community housing development organization receiving assistance for operating expenses.* The agreement must describe the use of HOME funds for operating expenses; e.g., salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; and materials and supplies. If the community housing development organization is not also receiving funds for a housing project to be developed, sponsored, or owned by the community housing development organization, the agreement must provide that the community housing development organization is expected to receive funds for a project within 24 months of the date of receiving the funds for operating expenses, and must specify the terms and conditions upon which this expectation is based and the consequences of failure to receive funding for a project.

CHDO STATUS

- The following CHDOs requested and have been recertified:
 - Builders of Hope CDC (BOH)
 - CityWide CDC (CWCDC)
 - East Dallas Community Organization (EDCO)
 - South Dallas/Fair Park ICDC (ICDC)
 - Southfair CDC (Southfair)
- The following CHDOs have projects funded through HOME Program CHDO Set-Aside funds
 - BOH
 - ICDC
 - Southfair

RECOMMENDATIONS

Option #1

Provide operating assistance awards to all certified CHDOs at \$35,000 per organization with terms and conditions for project submission explicitly noted (in the event of potential repayment to HUD)

Option #2

- Provide operating assistance awards to BOH, ICDC, and Southfair
- CWCDC and EDCO would have to apply for HOME Program CHDO Set-Aside funds before being awarded operating assistance

NEXT STEPS

- Staff would notify each CHDO of the award of funds
- Administrative Actions would be used along with scope of service contracts
- CHDOs could begin drawing funds as reimbursements upon execution of contracts
- Staff would follow-up with CHDOs on any required future project submissions

Memorandum



CITY OF DALLAS

DATE January 16, 2015

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

SUBJECT Single Family Notice Of Funding Availability (NOFA)

On Tuesday January 20, 2015, you will be briefed on Single Family Notice Of Funding Availability (NOFA). 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
Chief Planning Officer

c: The Honorable Mayor and Members of the City Council
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Elsa Cantu, Assistant to the City Manager – Mayor and Council

Single Family Notice of Funding Availability

A Briefing to the Housing Committee
Housing/Community Services Department
January 20, 2015



Purpose

- ▶ Discuss the issuance of a Notice of Funding Availability for Single Family Home Development
- ▶ Review the eligible projects, funding, and process for reviewing and approving projects
- ▶ Recommend next steps

Notice of Funding Availability (NOFA)

- ▶ The purpose of providing a NOFA:
 - ▶ Full disclosure about available City funding
 - ▶ Information is provided regarding the City Council priorities
 - ▶ Provides a level playing field for anyone interested in applying for funds
 - ▶ All applicants' requests and status of applications will be posted for availability to the public

Priorities for Projects

- ▶ Mixed-Income Housing
- ▶ Mixed-Use Projects with no more than 20 rental units
- ▶ Permanent Supportive Housing or other special needs housing
- ▶ New Construction
- ▶ Duplex and Quadplex projects
- ▶ Located within Neighborhood Investment Plan Areas, Transited Oriented Areas, or Master Planned Areas
- ▶ Projects that address Slum and Blight

Other Qualitative Concerns

- ▶ Does the project fit in the City's priorities?
- ▶ Has the City already provided financial assistance?
- ▶ Quality of proposed project
- ▶ Project design and special accommodations for expected occupants
- ▶ Is the project compatible with existing or anticipated development of area?
- ▶ Existing or proposed public transit availability
- ▶ Preservation of environmental assets and energy conservation
- ▶ Financial capacity of applicant to complete the project
- ▶ Any other factor relevant to the best interest of the City (includes consideration for fair housing)
- ▶ Is the project "shovel-ready"?

City of Dallas Available Funds

- ▶ The Housing/Community Services Department has approximately \$4 million in funds available to commit to gap financing these projects
 - ▶ \$2M in federal funds which includes \$1M designated for certified Community Housing Development Organizations
 - ▶ \$2M in general obligation bond funds for southern Dallas projects and transit oriented development projects
- ▶ Other sources may include:
 - ▶ Land Bank or City owned properties
 - ▶ Mortgage Assistance Program
 - ▶ Tax Increment Financing District Funds
 - ▶ Section 108 Loan Funds

Process for Reviewing & Approving Projects

- ▶ The City will review proposals for completion for content and pertinent information to make a determination of feasibility and reasonableness. At a minimum, the following steps will occur on a first-come first-serve basis:
 - ▶ Submissions will be date & time stamped
 - ▶ Preliminary review by staff
 - ▶ Developer discussions
 - ▶ Loan Committee review
 - ▶ Briefing to the Housing Committee
 - ▶ City Council approval
- ▶ Priority reviews will be provided to currently certified Community Housing Development Organizations (CHDOs).

Next Steps

- ▶ Issue Single Family NOFA on February 2, 2015
- ▶ Provide a Question & Answer Meeting on February 10, 2015
- ▶ NOFAs will be due on March 6, 2015
- ▶ Project applications to be posted on the City of Dallas website by March 13, 2015
- ▶ Staff will begin processing applications in March

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: January 28, 2015
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 670-3297
MAPSCO: 47S

SUBJECT

Authorize an extension of the conditional grant agreement with KKBK Properties, LLC, or its wholly owned subsidiary, from December 31, 2014 to December 31, 2015, for the construction of commercial and residential units for the Hatcher Gardens Project located at 4002 Hatcher Street – Financing: No cost consideration to the City

BACKGROUND

In June 2013, KKBK Properties, LLC, or its wholly owned subsidiary, and the City of Dallas entered into a conditional grant agreement for funding for Hatcher Gardens Project for \$300,000 for the construction of a mixed use building to include two commercial units of approximately 800 square feet per unit and ten apartment units at 4002 Hatcher Street. The site is located immediately south of the DART Green Line Hatcher Station.

The Hatcher Gardens Project will serve a mixed income and mixed use purpose and further economic development in the area. The development owner/partners include Craig Gant, Esq., Jerry Hicks, Esq., and Kurt Thomas.

To date, the developer has completed demolition of the existing improvements, re-platted the property into a single parcel, conducted the feasibility study, issued the building permits, installed the rough plumbing and poured the foundation on the property. The developer is still collaborating with the City regarding re-zoning, design/civil engineering plans, and utility infrastructure.

This action would allow KKBK Properties, LLC, or its wholly owned subsidiary, to continue their efforts to complete the construction of this mixed use building that is deed restricted for ten years and to occupy the apartment units with tenants at or below 140% Area Median Family Income.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On June 26, 2013, the City Council approved the conditional grant agreement in the amount of \$300,000 to KKBK Properties, LLC, or its wholly owned subsidiary, to provide funding for the construction of commercial and residential units for low-to-moderate income families, by Resolution No. 13-1105.

FISCAL INFORMATION

No cost consideration to the City

OWNER(S)

KKBK Properties, LLC

Craig Gant, Esq.
Jerry Hicks, Esq.
Kurt Thomas

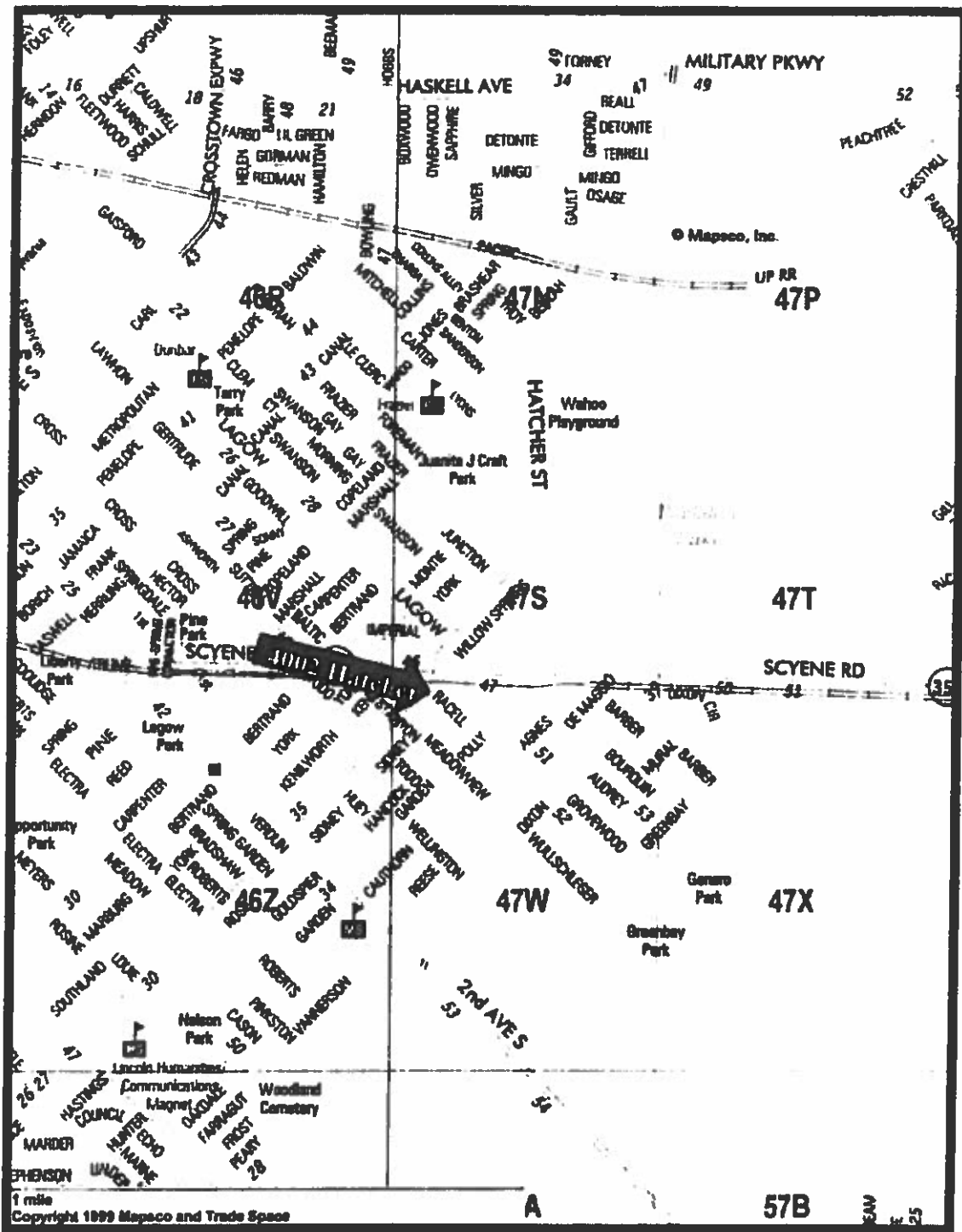
DEVELOPER(S)

KKBK Properties, LLC

Craig Gant, Esq.
Jerry Hicks, Esq.
Kurt Thomas

MAP

Attached.



MAPSCO 47S

January 28, 2015

WHEREAS, on June 26, 2013, the City Council approved the conditional grant agreement in the amount of \$300,000 with KKBK Properties, LLC, or its wholly owned subsidiary, to provide funding for the construction of commercial and residential units at 4002 Hatcher Street to be completed by December 31, 2014, by Resolution No. 13-1105; and

WHEREAS, KKBK Properties, LLC, or its wholly owned subsidiary, has requested an extension of time to the conditional grant agreement to allow them to continue their efforts to complete the mixed use building and occupy the apartment units with tenants at or below 140% Area Median Family Income;

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 hereby authorized to amend the conditional grant agreement with KKBK Properties, LLC, or its wholly owned subsidiary, for the Hatcher Gardens Project to extend the conditional grant agreement from December 31, 2014 to December 31, 2015, for construction of the commercial and residential units at 4002 Hatcher Street.

SECTION 2. 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 3. That the City is authorized to execute subordination of liens on the property upon approval for the interim construction lender and permanent lender.

SECTION 4. 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 that loan documents are duly approved, by all parties and executed.

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.