

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2018 JAN 12 PM 4: 28

CITY SECRETARY
DALLAS, TEXAS

TUESDAY, JANUARY 16, 2018
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA STREET
DALLAS, TEXAS 75201
9:00 A.M. – 10:30 A.M.

Chair, Councilmember Tennell Atkins
Vice-Chair, Councilmember Rickey D. Callahan
Councilmember Lee M. Kleinman
Councilmember Scott Griggs
Councilmember Casey Thomas, II
Councilmember B. Adam McGough
Councilmember Mark Clayton
Councilmember Kevin Felder
Councilmember Omar Narvaez

Call to Order

1. Approval of December 4, 2017 Economic Development & Housing Committee Minutes

BRIEFINGS

2. Home Repair Program – Proposed Changes
David Noguera, Director
Housing & Neighborhood Revitalization
3. Workforce Readiness, Placement
and Retention Program Update
Courtney Pogue, Director
Office of Economic Development
4. 9% LIHTC Discussion- Information Only
Hatcher Station, Sphinx at Fiji Lofts,
Parks at Wynnewood
Raquel Favela,
Chief of Economic Development &
Neighborhood Services

5. **UPCOMING AGENDA ITEMS**

January 24, 2018

- A. Authorize (1) a resolution of support for 2400 Bryan Street, LP, or its affiliate, related to its application for 9% Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) for the new construction of up to a 230-unit residential development at 2400 Bryan Street; and (2) a line of credit for the proposed development in the amount of \$500 – Financing: Public/Private Partnership Funds
- B. Authorize (1) a resolution of support for CLO Mountain Housing, LP, or its affiliate, related to its application for 9% Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs for the new construction of a 100-unit residential development located on the

southwest corner of Camp Wisdom Road and Mountain Creek Parkway to be known as Cielo at Mountain Creek; and (2) a line of credit for the proposed development in the amount of \$500 - Not to exceed \$500 - Financing: Public/Private Partnership Funds

Adjourn



Tennell Atkins, Chair
Economic Development & Housing Committee

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

Handgun Prohibition Notice for Meetings Of Governmental Entities

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.*

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a propiedad con una pistola a la vista."

Economic Development & Housing Committee

Meeting Record December 4, 2017

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

Meeting Date: December 4, 2017

Meeting Start time: 9:03 A.M.

<p>Committee Members Present: Tennell Atkins (Chair) Rickey D. Callahan (Vice-Chair) Lee M. Kleinman Scott Griggs Casey Thomas, II B. Adam McGough Mark Clayton Kevin Felder</p> <p><u>Other Council Members Present:</u> Philip T. Kingston</p> <p><u>Committee Members Absent</u> Omar Narvaez</p>	<p>Staff Present: Raquel Favela, Chief of Economic Development & Neighborhood Services Courtney Pogue, Director-Office of Economic Development Robin Bentley, Assistant Director-Office of Economic Development Peer Chacko, Director of Planning & Urban Design</p> <p><u>Other Attendee(s):</u> Kourtny Garrett, Downtown Dallas, Inc.</p>
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

1. **Approval of November 6, 2017 Economic Development/Housing Committee Minutes**
Presenter(s): CM Tennell Atkins

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Casey Thomas, II
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):

2. **The 360 Plan Update**
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services/Peer Chacko, Director of Planning & Urban Design/Kourtny Garrett, President & CEO, Downtown Dallas, Inc.

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. University Hills Municipal Management District

Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services/Courtney Pogue, Director of Office of Economic Development

Information Only: __

Action Taken/Committee Recommendation(s): Item will be brought back to the committee for further review

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):

4. New Markets Tax Credit Transaction: Interfaith Family Services

Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services/Courtney Pogue, Director of Office of Economic Development

Information Only: __

Action Taken/Committee Recommendation(s): Item will move forward to full Council

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):

5. Upcoming City Council Agenda Item

December 13, 2017

- A. Authorize a New Markets Tax Credit (NMTTC) transaction between the Dallas Development Fund (DDF) and its subsidiaries, JPMorganChase N.A. and its subsidiaries (Chase), and Interfaith Family Services ("Interfaith"), and its affiliates (Developer) for facility improvements and new construction at 5600 Ross Avenue (Project)

Action Taken/Committee Recommendation(s):

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Casey Thomas, II
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):

University TIF District

- B. *A public hearing to receive comments concerning the creation of Tax Increment Financing Reinvestment Zone Number Twenty-One for the University Center area and the University Hills area, to be known as the University TIF District under the authority of the Tax Increment Financing Act, as amended (V.T.C.A, Tax Code Chapter 311) - Financing: No cost consideration to the City

*An ordinance establishing Tax Increment Financing Reinvestment Zone Number Twenty-One to be known as the University TIF District under the authority of the Tax Increment Financing Act, as amended (V.T.C.A, Tax Code Chapter 311) - Financing: No cost consideration to the City

**Housing Committee
December 4, 2017
Meeting Record**

Action Taken/Committee Recommendation(s):

Motion made by: CM Mark Clayton	Motion seconded by: CM Kevin Felder
	Opposed by: Scott Griggs
Item passed unanimously: _____	Item passed on a divided vote: <u>X</u>
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

- C. Authorize approval of twenty-one South Dallas Fair Park Trust Fund grants for FY 16/17 for programs and services in the areas of business, community, human and economic development. Not to exceed \$473,000 - Financing: South Dallas/Fair Park Trust Funds

Action Taken/Committee Recommendation(s):

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Kevin Felder
Item passed unanimously: _____	Item passed on a divided vote: <u>X</u>
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

- D. A public hearing and consideration of adoption of The 360 Plan as a guide to future city council actions concerning land use and development regulations, transportation and economic development, and capital improvement expenditures in the area generally bounded by a two-and-a-half-mile radius centered on the intersection of Main Street and Akard Street - Financing: No cost consideration to the City

Action Taken/Committee Recommendation(s):

Motion made by: CM Mark Clayton	Motion seconded by: CM Rickey D. Callahan
	Opposed by: Kevin Felder
Item passed unanimously: _____	Item passed on a divided vote: <u>X</u>
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

- E. Authorize an amendment to Resolution No. 14-1898, previously approved on November 12, 2014, for the development loan agreement in the amount of \$550,000 with 2122 Highland LLC, owner, and the City of Dallas to (1) provide for refinancing of the owner's first lien loan for development of a 24-unit apartment complex at 2122 Highland Road to increase the senior loan from \$705,000 to \$1.5M and authorize subordination of the City's lien to the first lender, Wells Fargo Bank; and (2) accept the payoff of \$132,500 towards the balance on the repayment loan and authorize release of the lien

Action Taken/Committee Recommendation(s):

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Mark Clayton
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):

F. Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project

*Authorize (1) an amendment to Resolution No. 12-2359, previously approved on September 26, 2012, to rescind Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, and 11 releasing project encumbrances to Dallas County, and to revise Section 2 funding receipt source to receive funds from the North Central Texas Council of Governments to the Texas Department of Transportation; (2) a Project Specific Agreement with Dallas County for design, right-of-way acquisition and construction of the Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project; (3) the receipt and deposit of funds from Dallas County in an amount not to exceed \$346,778; and (4) an increase in appropriations in an amount not to exceed \$346,778 in the Capital Projects Reimbursement Fund – Not to exceed \$346,778 – Financing: Capital Projects Reimbursement Funds

*Authorize Supplemental Agreement No.1 to the professional services contract with Civil Associates, Inc. to provide final design services for the Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project – Not to exceed \$292,054, from \$49,450 to \$341,504 – Financing: Skillman Corridor TIF District Funds (\$34,151), Capital Projects Reimbursement Funds (\$34,150), and Lake Highlands Project Funds (\$223,753)

Action Taken/Committee Recommendation(s):

Motion made by: CM Mark Clayton	Motion seconded by: CM Rickey D. 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):

G. Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project

*Authorize an amendment to Resolution No. 12-2357, previously approved on September 26, 2012, for the Lake Highlands Transit Oriented Development Multimodal Connectivity Sustainable Development Infrastructure Project to (1) delete project reimbursements to Dallas County; (2) correct the funding source to receive and deposit funds from the Texas Department of Transportation; and correct the name of the project from Lake Highlands Transit Oriented Development Multimodal Connectivity Sustainable Development Infrastructure Project to Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project; (3) authorize the Skillman Corridor Tax Increment Financing District Board of Directors to dedicate up to \$346,778 in the Skillman Corridor Tax Increment Financing District Funds as the required local matching funds for the North Central Texas Council of Governments Sustainable Development Program associated with the Lake Highlands Transit Oriented Development Sustainable Development Infrastructure Project in the Skillman Corridor Tax Increment Financing District; and (4) increase appropriations in an amount not to exceed \$346,778 in the Skillman Corridor Tax Increment Financing District Fund - Not to exceed \$346,778 – Financing: Skillman Corridor Tax Increment Financing District Funds

*Authorize rescinding Resolution No. 12-2358, previously approved on September 26, 2012, for the execution of the Development Agreement with PC LH Land and Partners, LP and associated receipt and deposit of funds for the Lake Highlands Transit Oriented Development Multimodal Connectivity Sustainable Development Infrastructure Project – Financing: No cost consideration to the City

Action Taken/Committee Recommendation(s):

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Casey Thomas, III
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):

**Housing Committee
December 4, 2017
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- H. Authorize a three-year master agreement for tires, tubes, and flaps – Tire Centers, LLC in the amount of \$3,710,311, Blagg Tire and Service, Inc. in the amount of \$2,738,226, The Goodyear Tire and Rubber Company in the amount of \$803,043, and Southern Tire Mart in the amount of \$288,885, lowest responsible bidders of five – Total not to exceed \$7,540,465 – Financing: General Funds (\$6,545,943), Sanitation Current Funds (\$590,342), Water Utilities Current Funds (\$308,972), Aviation Current Funds (\$25,361), Stormwater Drainage Management Current Funds (\$12,347), and Confiscated Monies Funds (\$57,500)

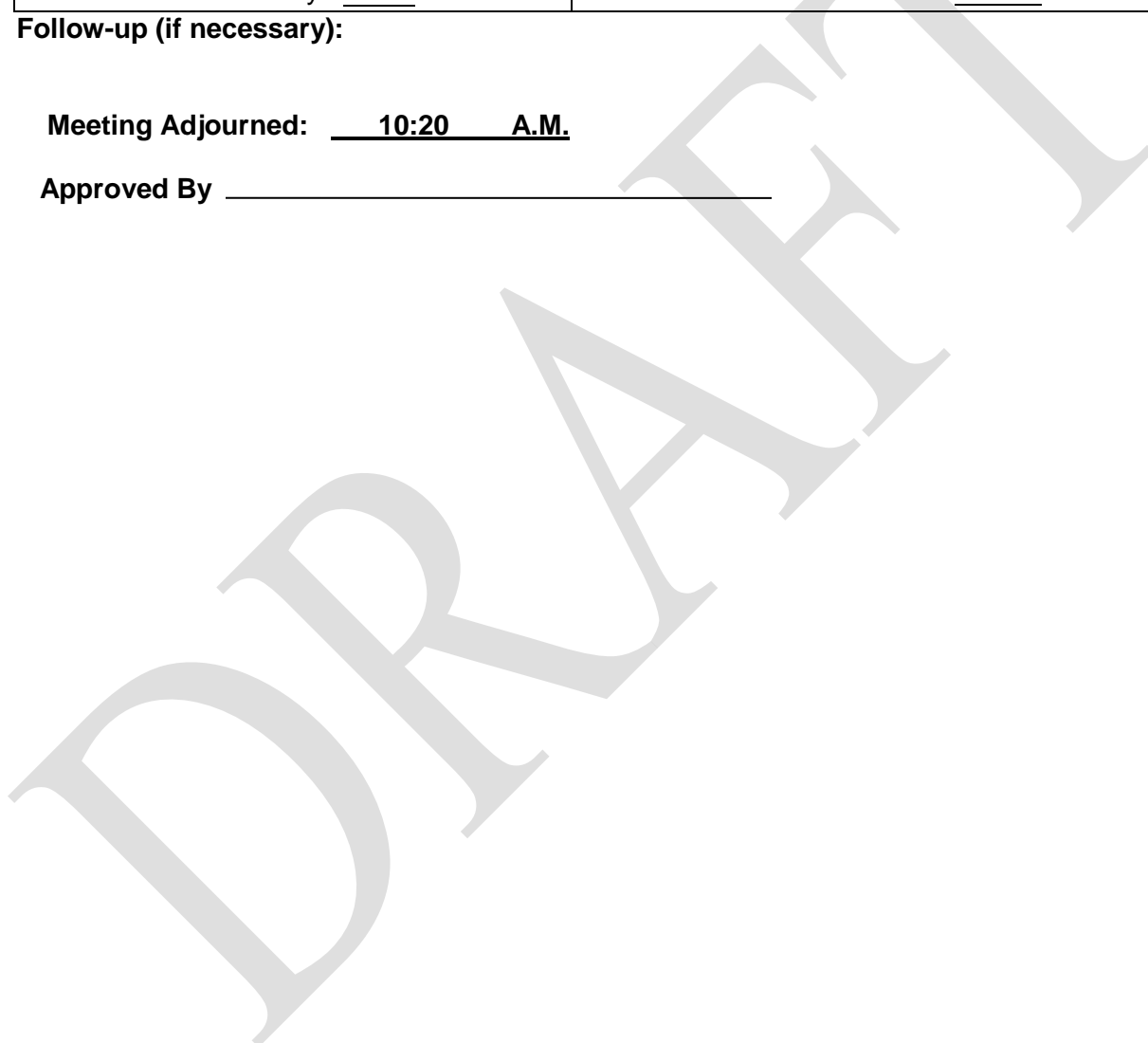
Action Taken/Committee Recommendation(s): Motion made to move forward to full Council

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Casey Thomas, III
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: 10:20 **A.M.**

Approved By _____



Memorandum



CITY OF DALLAS

DATE January 12, 2018

MEMORANDUM FOR
TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Keven Felder, Omar Narvaez

SUBJECT **Home Repair Programs-Proposed Changes**

On January 16, 2018, you will be briefed on the City's four home repair programs, the review conducted by staff, and the proposed changes. The briefing materials are attached for your review.

Summary

The City of Dallas currently provides housing rehabilitation services to homeowners through four different programs: Major Systems Repair, Emergency Repairs, Home Improvement Rebate, and Dallas Tomorrow Fund. The proposed redesign of the City's home repair programs is intended to reduce inefficiencies, eliminate redundancies, address the needs in the community and increase production in an effort to provide safe and decent housing for Dallas residents. Specifically, the proposed redesign will discontinue 1) Major Systems Repair, 2) Emergency Repairs, and 3) Home Improvement Rebate Program and replace them with an all-inclusive home repair program.

The newly designed home repair program, Home Improvement and Preservation Program (HIPP) provides both minor and major repairs of single-family homes, located in the City of Dallas. It prioritizes home repairs based on the needs of the community and funding availability. As part of HIPP, rehabilitation of single-family rental homes (1-4 units) will also be permitted, as well as, accessibility modifications needed by seniors and persons with disabilities. The cost of repairs and rehabilitation activities offered through HIPP are provided by a city funded repayable loan with a 0% - 3% interest rate.

Background

In recent years, the City's Department of Housing and Neighborhood Revitalization ("H&NR") has offered various home repair programs, including: 1) Major Systems Repair, 2) Emergency Repair, 3) Home Improvement Rebate Program, 4) Reconstruction, 5) People Helping People, and 6) Dallas Tomorrow Fund.

1. Major Systems Repair, was last amended under Resolution No. 16-1655 on October 11, 2016, to provide deferred payment loans to low-income homeowners at 80% or below Area Median Family Income (AMFI) for repairs and replacement up to \$20,000 for four major systems: heating/air conditioning, plumbing/gas, roof and electrical. Financial assistance is provided as a no interest loan secured by a promissory note and deed of trust with a five (5) year lien. Loan payments are self-amortized over the loan term and forgiven monthly at the rate of 1/60th of the loan amount if the borrower occupies the property continuously for the entire five-year loan term.

2. Emergency Repair, also amended under Resolution No. 16-1655, provides a grant for up to \$7,500 for emergency assistance to disabled and elderly homeowners that are at 80% or below AMFI. Emergency Repair provides replacements or repairs that have been determined to need immediate action, including accessibility modifications, to protect the health and safety of resident(s).

3. The Home Improvement Rebate Program is the newest program approved under Resolution No. 16-1654 on October 11, 2016, and is designed to provide incentives for home owners to invest in home improvements. The rebate program reimburses homeowners 25% of the improvement costs up to \$5,000 for interior and exterior repairs. Homes must be built before 1985 and appraised at less than \$200,000 with repairs totaling more than 10% of value.

4. The Reconstruction Program was originally approved under Resolution No. 08- 2768, and later amended to increase the loan amount. The program's purpose was to reconstruct homes when 3 major systems and foundation failed, and the conditions of such home created an imminent danger to the life, health and/or safety of the residents and/or neighborhood. This program was discontinued on September 30, 2016.

5. People Helping People was last amended under Resolution No. 16-1655, as a volunteer labor and resources based program which served the elderly, 62 years of age or older, with minor home repairs. It was terminated on September 30, 2017.

6. The Dallas Tomorrow Fund was approved under Ordinance No. 25927 on March 5, 2005, and amended under Resolution 16-1617 on September 28, 2016, for the purpose of rehabilitating and/or repairing properties which are unable to comply with a notice of violation under Chapter 27 of the Dallas City Code. Dallas Tomorrow Fund is funded annually from a \$36.00 administrative penalty for each civil citation for which a person is found liable. These fees are then allocated to the H&NR to administer. Homeowners referred by the City's Department of Code Compliance, with incomes less than 80% AMFI, are eligible to receive financial assistance for up to \$20,000 to address code violations for which the property owner has received a Notice of Violation. The Dallas Tomorrow Fund remains unchanged and in effect as a separate program because it's a requirement of the Dallas City Code which serves a specialized purpose and specific funding source separate from the other home repair programs.

The combined programs have been in operation for over 31 years and assisted over 4,000 homeowners with various repairs to their homes using funding sources, including, but not limited to, Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Bond and General Funds. (See Exhibit A: Program Accomplishments FY 2017-18)

Issues

There are four notable issues with the existing programs:

1. Maximum assistance for repairs does not address the deteriorating housing stock in Dallas

Out of 1,152 applications received in FY 16-17 in the Major Systems repair program, 44 were turned away because the repair needs exceeded the \$20,000 cap. In the case of Emergency Repairs, staff found that due to the nature of our procurement requirements, the program cannot respond to true emergency repair needs and usually the requests are just one of more complex

repair needs. Furthermore, making partial repairs to a home simply based on a cap does not represent a good investment for the City. The goal of these repair funds should be to assess the condition of the homes comprehensively and address all repair needs to bring the property up to code and thereby increase the value of the home and have a compounding effect on the surrounding properties.

2. Current programs do not address the fact that the City of Dallas has a significant amount of rental single-family housing

With an already shrinking affordable housing inventory, it is important to provide low-cost financing tools to landlords that are willing to make necessary improvements while keeping units affordable. This expansion allows for this type of loan to landlords.

3. Contractor participation is low due to program financial constraints and no economies of scales in a city-wide program

The construction market in the Dallas metro area is very competitive due to labor shortages. Until recent months, the program only had 3 contractors participating in the program. When staff met with groups of contractors for feedback as to why they do not participate, they indicated that the limit on the amount combined with the presumed liability by addressing some but not all of the repair needs of the homes were disincentives. Furthermore, because contractors rely on crews to complete repair work it makes more business sense for them to have geographic areas where they can work in rather than have sporadic projects throughout the City. Having projects concentrated in geographic areas gives contractors some economies of scale on crews as well as material delivery, security, and related expenses. On January 17, 2018, the City Council will be briefed on the Market Value Analysis (MVA). The MVA is a tool that can be used to identify target areas for home repair programs.

4. Funds available are limited primarily to federal funds that are diminishing and at-risk

The current programs do not look at property owner's ability to repay. The new structure allows the City to recycle scarce funds and in some instances, charge a lower than market-rate interest to augment the funds available to help continue these efforts in the long-term.

The compounding inefficiencies have resulted in issues with timely expenditure of funds. If the home repair programs are not revised, the City risks losing unspent federal program funding. The City does not have a strategy for addressing the rehabilitation of deteriorated or substandard housing, thus contributing to blight and neighborhood decline, along with health and safety issues for residents.

Proposed Redesign

In light of the issues summarized above, H&NR proposes to eliminate Major Systems Repair, Emergency Repair, and Home Improvement Rebate programs to create Home Improvement and Preservation Program (HIPP), an all-inclusive repair and rehabilitation program for single-family owner occupied and rental housing. Eligible activities under HIPP would include minor and major repairs, accessibility modifications, and reconstruction of single-family homes. HIPP would be offered as a repayment loan program to home owners and landlords of single-family homes, with the purpose of making needed improvements and preserving affordable housing. Single family homes are defined in the City of Dallas Zoning Regulations Section 51-4-101.

Loan terms will be based on homeowner income using the following underwriting guidelines: 1) for those with incomes at or below 60% AMFI, deferred loan, zero percent interest (0%), 2) for those with 61% - 80% AMFI, installments and/or deferred loan, with zero percent interest (0%), and 3) for those with 81%-120% AMFI, installments with three percent interest (3%). Loan terms for landlords will be based on underwriting and a commitment to keep rents affordable. Through operational enhancements HIPP will utilize a streamlined approach to evaluate applications, counsel applicants, and monitor rehabilitation schedules through project completion. HIPP, proposes to offer the following terms described in Table 2. The City is exploring ways in which payments to contractors can be managed and paid in a more expeditious manner including but not limited to the use of a title company or a fiscal agent for the City so that contractors can be paid on a weekly basis and thereby reduce the costs.

Alternatives

The alternative to the proposed merger and redesign is the continuation of the existing home repair programs which are currently unable to meet the needs and demands of the Dallas community. Major Systems Repair excludes those homeowners with repair needs that exceed \$20,000 or extend beyond the four major systems: heating/air conditioning, plumbing/gas, and roof and electrical. The Emergency Repairs program is not capable of responding to real emergencies with response times set at 30-60 days and funding capped at \$7,500 per home. The Home Improvement Rebate Program is underutilized with 8% of allocated funds expended in Fiscal Year 2017 and 28% encumbered to date for Fiscal Year 2018.

Fiscal Impact

There is no increase in costs from the proposed home repair changes. The programs are funded with Consolidated Development Block Grant (CDBG) and General Fund dollars. During the FY 2017-18, the Major Systems Repair was allocated \$4.4 million of CDBG funds, plus an additional \$2.6 million was carried forward from prior unexpended CDBG funds, for a combined total of \$7.1 million. During Fiscal Year 2017-18, Emergency Repairs was allocated \$1.050 million of general revenue funds. During Fiscal Year 2017-18, Home Improvement Rebate received an allocation of \$499,853 of general revenue funds. As part of the redesign H&NR would seek authorization for the balance of funds available to be carried forward to HIPP program activities.

Coordination

On August 9, 2017, the City Council approved the FY 2017-18 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 17-1171.

During the months of November and December 2017, H&NR met with several stakeholders, including the following City of Dallas Departments and Committee/Commission: Office of Fair Housing and Human Rights, Sustainable Development and Construction, Senior Affairs Commission, Diversity Task Force Subcommittee, and City Attorney - Community Courts Unit. Other stakeholders included nonprofit developers and general contractors.

DATE January 12, 2018
SUBJECT Home Repair Programs-Proposed Changes
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Staff Recommendation

Staff recommends that the Economic Development and Housing Committee approve the merger of three home repair programs to create the Home Improvement and Preservation Program and that the Committee allow staff to work through the public input process that will occur after the Council briefing on the Market Value Analysis on the January 17, 2018 to further develop the target areas and program design with the stakeholders as part of the broader housing policy.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela
Chief of Economic Development & Neighborhood Services

Attachment 1
Table 1: Current Program Challenges
Table 2: Home Improvement and Preservation Program

- c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
- Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Table 1
 Current Programs' Challenges

Existing Programs	Allocated Fund Amount	Eligible Households	Funding Terms	Issues
Major Systems Repair	\$4.427 M FY 2017-18 + \$2.683 M prior yrs. CDBG funded	Serves homeowners with incomes < 80% AMFI	Loan, 0% percent, forgivable over a 5-year period.	The program cap of \$20,000 is insufficient to cover the system repairs or replacements required. Most applicants are declined assistance because the repair needs exceed \$20,000. In addition, this cap deters contractor participation due to pricing.
Emergency Repair	\$1.050 M FY 2017-18 General Revenue funded	Serves homeowners with incomes < 80% AMFI, over age 62 and/or disabled.	Grant	Emergency repair services cannot be addressed effectively due to the time constraints of procurement requirements. In addition, the program budget limits contractor participation due to pricing and payment processing.
Home Improvement Rebate	\$499,853 FY 2017-18 General Revenue funded	Serves all homeowners, there are no income requirements.	Grant	Program does not serve a public policy, in addition to it being underutilized, and the cost to administer each transaction exceeds the maximum grant amount.

Table 2
 Home Improvement and Preservation Program

Redesign Components	Description	Notes
PROGRAM TERMS		
Housing Type	Single-family, 1 - 4 units	Single family as defined in the City Zoning Regulations.
Income Eligibility	Low and moderate-income home owners (up to 120% AMFI), and landlords of low-income tenants (up to 80% AMFI).	In addition to landlord financial information, tenant information will be required.
Maximum Loan Amount	2017 HOME maximum per unit subsidy limits are: 1-bedroom is \$136,549, 2-bedroom is \$164,681, 3-bedroom is \$210,798, and 4- bedroom is \$234,836.	
Loan Terms	HIPP shall offer a repayment loan secured in senior or second position, based on <u>home owner income</u> : Up to 60% AMFI 1) deferred loan, zero percent interest, 61-80% AMFI 2) monthly installments and/or deferred loan, with zero percent interest, and, 81-120% AMFI 3) monthly installments, with three percent interest. Terms for <u>landlords</u> will be based on the tenant's income.	
Accessibility Grant	Accessibility modifications for up to \$10,000.	Accessibility modifications over \$10,000 shall be evaluated under the HIPP's loan terms.
Recapture	Loans shall be repayable subject to the City's recapture policy, i.e. upon sale, transfer of title.	
OTHER REQUIREMENTS		
Title	Home owners and landlords must have a clean title prior to entering into a HIPP contract.	
Underwriting	Maximum of 30% of household's income shall be allocated towards housing expense. Impact on property taxes from improvements will be accounted for through underwriting. Property must be insured for the as-improved-value.	

Home Repair Programs – Proposed Changes

**Economic Development &
Housing Committee
January 16, 2018**

**David Noguera, Director
Housing and Neighborhood Revitalization**



Presentation Overview

- Summary
- Background
- Issues
- Proposed Redesign
- Alternatives
- Fiscal Impact
- Coordination
- Next Steps



Summary

Currently the City of Dallas offers housing rehabilitation services through four programs: 1) Major Systems Repair, 2) Emergency Repairs, 3) Home Improvement Rebate, and 4) Dallas Tomorrow Fund.

Proposal is to discontinue #1-3 home repair programs (above) with a comprehensive Home Improvement and Preservation Program (HIPP), in order to achieve the following goals:

- 1) Provide comprehensive repair and rehabilitation services to single family homes (includes 1-4 single family rental units);
- 2) Reduce Inefficiencies;
- 3) Eliminate Redundancies;
- 4) Increase production and contractor participation



Background

The City of Dallas has offered various home repairs programs in recent years to help homeowners in need. They include:

Programs	Source of Funds	Beneficiary	Terms	Status
Major Systems Repair	CDBG up to \$20,000	80% AMFI	Forgivable Loan – 5yr	Active
Emergency Repair	General Revenue up to \$7,500	80% AMFI	Grant	Active
Home Improvement Rebate	General Revenue Up to \$5,000	All	Grant	Active
Dallas Tomorrow Fund*	Code Fines Up to \$20,000	80% AMFI	Grant	Active
Reconstruction	N/A	N/A	N/A	Discontinued
People Helping People	N/A	N/A	N/A	Discontinued

4

* Referral Only, Code Compliance



Issues

Issues with the three existing home repair programs:

- 1) Maximum assistance does not address the deteriorating housing stock in Dallas;
- 2) Current programs do not allow assistance to single-family rental housing stock in Dallas;
- 3) Programs financial constraints and inability to provide economies of scales opportunities in a city-wide program are cause of low contractor participation; and
- 4) Available funding is primarily limited to federal funds that are diminishing and at risk.

5

Proposed Redesign

Existing Programs	Home Improvement & Preservation
Major Systems Repair	<p>All-Inclusive repair and rehabilitation program available to owner occupied single family, and rental single family homes (1-4 units).</p>
Emergency Repair	
Home Improvement Rebate	
Dallas Tomorrow Fund	No Changes Proposed



Proposed Redesign – cont'd

Proposed Redesign Components	Description	Notes
PROGRAM TERMS		
Housing Type	Single-family, 1 - 4 units	Single family as defined in the City Zoning Regulations.
Income Eligibility	Low and moderate-income home owners (up to 120% AMFI), and landlords of low-income tenants (up to 80% AMFI).	In addition to landlord financial information, tenant information will be required.
Maximum Loan Amount	2017 HOME maximum per unit subsidy limits are: 1-bedroom is \$136,549, 2-bedroom is \$164,681, 3-bedroom is \$210,798, and 4-bedroom is \$234,836.	

Proposed Redesign-cont'd

Proposed Redesign Components	Description	Notes
PROGRAM TERMS		
<p>Loan Terms</p>	<p>Home Improvement & Preservation (HIP) shall offer a repayment loan secured in senior or second position, based on <u>home owner income</u>:</p> <p>Up to 60% AMFI 1) deferred loan, zero percent interest,</p> <p>61-80% AMFI 2) monthly installments and/or deferred loan, with zero percent interest, and,</p> <p>81-120% AMFI 3) monthly installments, with three percent interest.</p> <p>Terms for <u>landlords</u> will be based on underwriting and commitment to keep rents affordable.</p>	

Proposed Redesign Examples

HIPP Loan Examples	60% - below AMFI	61%-80% AMFI	81% - 120% AMFI
HIP Loan Amount:	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Interest	0.0%	0.0%	3.0%
Term	15	15	15
Non-Deferred HIP Amount	\$ -	\$ 65,000.00	\$ 75,000.00
Monthly Loan Payment	\$ -	\$361.11	\$517.94
Deferred HIP Amount	\$ 75,000.00	\$ 10,000.00	\$ -
Home Facts:			
Home Value Pre-Reconstruction	\$ 60,000.00	\$ 120,000.00	\$ 144,000.00
Property Taxes*	\$ 135.00	\$ 270.00	\$ 324.00
Insurance*	\$ 50.00	\$ 100.00	\$ 120.00
Mortgage Facts:			
Annual Income - Family of 4	\$ 36,700.00	\$ 44,041.00	\$ 58,701.00
Monthly Income	\$ 3,058.33	\$ 3,670.08	\$ 4,891.75
Monthly Housing Expense	\$ -	\$552.85	\$ 663.42
Other Expenses (Auto, Credit Cards)	\$ 150.00	\$ 300.00	\$ 500.00
If Senior Loan:			
Mortgage Loan	\$0.00	\$115,800.00	\$138,960.00
Rate	4%	4%	4%
Term	30	30	30
Principal & Interest	\$0.00	\$552.85	\$663.42
Front End Ratio	6%	25%	23%
Back End Ratio	11%	43%	43%
LTV	0%	97%	97%
CLTV	125%	159%	149%
Notes:			
*: 2.7% Taxes - 1% Insurance; Calculation before reconstruction. Re-assessment will be calculated as part of underwriting. Low income households shall not exceed a back end ratio of 45%, inclusive of the non-deferred HIP amount.			

Proposed Redesign – cont'd

Redesign Components	Description	Notes
PROGRAM TERMS		
Accessibility Grant	Accessibility modifications for up to \$10,000.	Accessibility modifications over \$10,000 shall be evaluated under the HIPP's loan terms.
Recapture	Loans shall be repayable subject to the City's recapture policy, i.e. upon sale, transfer of title.	
OTHER REQUIREMENTS		
Title	Home owners and landlords must have a clean title prior to entering into a HIPP contract.	
Property Taxes	Impact to property taxes stemming from reconstruction projects will be accounted for through underwriting. Property must be insured for the as-improved-value.	
Housing Expenses	A tenant's housing expense shall not exceed 30% of the household's income.	
Homeowner Education	Training on loan servicing and home maintenance will be included for all program participants.	

Alternatives

Continuation of the existing three programs cannot meet the needs and demands of the Dallas community, specifically:

- 1) Major Systems Repair Program is unable to provide repairs that exceed \$20,000, or extend beyond the 4 major systems;
- 2) Emergency Repair Program is not capable of responding to real emergencies as actual response times is set at 30-60 days. Additionally, program limits ability to service repairs greater than \$7,500; and
- 3) Home Improvement Rebate Program is underutilized, 8% during FY 16-17, and 28% current FY.

These challenges impact timely expenditure of program funds and risk¹¹ recapture of unspent federal funds.

Fiscal Impact

Existing Programs	FY 2017-18 Allocation	Obligated/ Paid	Balance	HIPP
Major Systems Repair CDBG Funds	\$7,111,392	\$1,700,114	\$5,411,278	All-inclusive home repair and rehabilitation activities.
Emergency Repair General Funds	\$1,050,604	\$953,528	\$97,076	
Home Improvement Rebate General Funds	\$499,853	\$139,947	\$359,906	
Total	\$8,661,849	\$2,793,589	\$5,868,260	Balance

Coordination

Outreach included:

- Non Profit Developers
- General Contractors
- Fair Housing Department
- Sustainable Development
- Construction Department
- Senior Affairs Commission
- Diversity Task Force Subcommittee
- City Attorney - Community Courts Unit



Next Steps

- 1) Approve to recommend the merger of three home repair programs for the creation of the Home Improvement & Preservation Program; and
- 2) Place item on the City Council agenda, at a later date, in order to allow for public input to take place after City Council is briefed on the Market Value Analysis, and will provide for further development of the housing policy.

Exhibit A: Program Performance

HOME REPAIR PROGRAMS FY 2017-18

	CD 1	CD 2	CD 3	CD 4	CD 5	CD 6	CD 7	CD 8	CD 9	CD 10	CD 11	CD 12	CD 13	CD 14	YTD Spent as of 1/4/18
Major Systems Repair Program															
CDBG	\$ 7,027,741														
Obligated	\$ 662,530														
# of units	0	2	5	23	7	1	5	13	2	2	0	0	0	0	60
Subtotal: \$ spent	\$ -	\$ 33,932	\$ 84,099	\$ 386,771	\$ 136,724	\$ 17,991	\$ 67,719	\$ 234,028	\$ 36,743	\$ 39,847	\$ -	\$ -	\$ -	\$ -	\$ 1,037,854
Emergency Repair Program															
GF	\$ 1,050,604														
Obligated	\$ 1,050,604														
# of units	0	1	3	8	1	2	2	6	0	0	0	0	0	0	23
Subtotal: \$ spent	\$ -	\$ 5,175	\$ 19,954	\$ 53,803	\$ 2,985	\$ 12,550	\$ 11,610	\$ 37,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,528
Home Improvement Rebate Program															
GF	\$ 499,853														
Obligated	\$ 102,340														
# of units	2	1	1	1	1	0	2	0	0	1	1	0	0	0	10
Subtotal: \$ spent	\$ 5,815	\$ 3,550	\$ 5,000	\$ 1,031	\$ 3,668	\$ -	\$ 9,867	\$ -	\$ -	\$ 4,918	\$ 3,217	\$ -	\$ -	\$ -	\$ 37,067
Dallas Tomorrow Fund															
Revenue	\$ 404,784														
Obligated	\$ 381,821														
# of units	0	0	1	0	0	0	2	0	0	0	0	0	0	0	3
Subtotal: \$ spent	\$ -	\$ -	\$ 3,310	\$ -	\$ -	\$ -	\$ 28,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,963
TOTAL:	\$ 5,815	\$ 42,656	\$ 112,363	\$ 441,605	\$ 143,377	\$ 30,541	\$ 117,848	\$ 271,479	\$ 36,743	\$ 44,765	\$ 3,217	\$ -	\$ -	\$ -	\$ 1,250,410

Exhibit A: Program Performance

HOME REPAIR PROGRAMS FY 2016-17

	CD 1	CD 2	CD 3	CD 4	CD 5	CD 6	CD 7	CD 8	CD 9	CD 10	CD 11	CD 12	CD 13	CD 14	YTD Spent as of 9/30/2017
Major Systems Repair Program															
CDBG	\$ 4,135,559														
# of units	6	2	11	38	12	10	11	28	0	1	0	0	0	0	119
Subtotal:	\$ spent	\$ 115,340	\$ 37,256	\$ 172,768	\$ 602,851	\$ 197,225	\$ 159,642	\$ 167,231	\$ 427,188	\$ -	\$ 15,030	\$ -	\$ -	\$ -	\$ 1,894,531
Emergency Repair Program															
GF	\$ 1,055,664														
# of units	5	11	13	50	15	16	14	18	2	1	0	0	3	0	148
Subtotal:	\$ spent	\$ 31,347	\$ 66,434	\$ 78,679	\$ 327,580	\$ 98,698	\$ 105,187	\$ 88,265	\$ 98,322	\$ 12,580	\$ 7,500	\$ -	\$ -	\$ 22,225	\$ 936,818
Home Improvement Rebate Program															
GF	\$ 500,000														
# of units	3	0	3	0	0	0	1	0	2	0	0	0	0	0	9
Subtotal:	\$ spent	\$ 13,881	\$ -	\$ 11,825	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 40,705
Dallas Tomorrow Fund (Code)															
Revenue	\$ 471,043														
# of units	0		1	0	0	0	1	0	0	0	0	0	1	0	3
Subtotal:	\$ spent	\$ -	\$ -	\$ 12,835	\$ -	\$ -	\$ -	\$ 12,430	\$ -	\$ -	\$ -	\$ -	\$ 19,951	\$ -	\$ 45,216
Reconstruction Program															
CDBG/HOME															
# of units	1	1		10	3	3	2	2	0	0	0	0	0	0	22
Subtotal:	\$ spent	\$ 49,208	\$ 49,208	\$ -	\$ 471,320	\$ 127,801	\$ 100,422	\$ 110,139	\$ 67,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975,262
People Helping People															
CDBG	\$ 331,160														
# of units	4	5	16	49	19	5	21	38	5	2	0	0	0	0	164
Subtotal:	\$ spent	\$ 9,111	\$ 3,604	\$ 11,424	\$ 35,144	\$ 18,473	\$ 5,976	\$ 26,242	\$ 40,962	\$ 6,522	\$ 2,305	\$ -	\$ -	\$ -	\$ 1,159,761
TOTAL:	\$	\$ 218,886	\$ 156,502	\$ 287,530	\$ 1,436,895	\$ 442,197	\$ 371,226	\$ 409,307	\$ 633,637	\$ 29,102	\$ 24,835	\$ -	\$ -	\$ 42,176	\$ 4,052,293

Exhibit A: Program Performance

HOME REPAIR PROGRAMS FY 2015-16

	CD 1	CD 2	CD 3	CD 4	CD 5	CD 6	CD 7	CD 8	CD 9	CD 10	CD 11	CD 12	CD 13	CD 14	TOTAL Spent FY 15-16
Major Systems Repair Program															
CDBG	\$ 1,410,006														
# of units	8	3	17	51	14	3	12	24	0	0	0	0	0	0	132
Subtotal: \$ spent	\$ 123,488	\$ 44,270	\$ 241,980	\$ 704,856	\$ 247,661	\$ 34,744	\$ 177,441	\$ 324,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,899,074
Emergency Repair Program															
GF	\$ 780,604														
# of units	5	4	7	36	8	11	14	26	1	4	0	0	1	0	117
Subtotal: \$ spent	\$ 32,437	\$ 29,729	\$ 37,556	\$ 227,912	\$ 55,435	\$ 73,932	\$ 85,902	\$ 145,314	\$ 7,250	\$ 27,021	\$ -	\$ -	\$ 7,500	\$ -	\$ 729,988
Dallas Tomorrow Fund (CODE)															
Revenue	\$ 521,470														
# of units	2	0	1		0		2	0	0	0	0	0	0	0	5
Subtotal: \$ spent	\$ 23,918	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 15,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,527
Reconstruction Program															
CDBG	\$ 1,221,964														
# of units	1	1	0	8	3	2	2	2	0		0	0	0	0	19
Subtotal: \$ spent	\$ 56,971	\$ 29,714	\$ -	\$ 236,005	\$ 78,739	\$ 40,914	\$ 76,258	\$ 41,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,642
People Helping People															
CDBG	\$ 244,300														
# of units	7	7	19	68	28	7	22	39	5	2	0	0	0	0	204
Subtotal: \$ spent	\$ 7,780	\$ 8,869	\$ 26,434	\$ 83,928	\$ 28,086	\$ 11,570	\$ 24,488	\$ 47,069	\$ 4,499	\$ 1,353	\$ -	\$ -	\$ -	\$ -	\$ 244,076
TOTAL:	\$ 244,594	\$ 112,582	\$ 316,970	\$ 1,252,700	\$ 409,920	\$ 161,159	\$ 379,698	\$ 558,060	\$ 11,749	\$ 28,374	\$ -	\$ -	\$ 7,500	\$ -	\$ 3,483,306

Home Repair Programs – Proposed Changes

**Economic Development &
Housing Committee
January 16, 2018**

**David Noguera, Director
Housing and Neighborhood Revitalization**



Memorandum



CITY OF DALLAS

DATE January 12, 2018

Members of the Economic Development & Housing Committee: Tennell Atkins, Chair,
TO Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Workforce Readiness, Placement and Retention Program Update**

On January 16, 2018, the Economic Development and Housing Committee will be briefed on the status of the Workforce Readiness, Placement and Retention pilot program.

Summary

The Office of Economic Development (OED) has met with the four (4) contractors who are participants in the Workforce Readiness, Placement and Retention Program (Program) and obtained status updates from each. Staff is proposing amendments to improve the effectiveness of and increase participation in the Program, and is also recommending issuance of an RFP to reallocate \$375,000 in Program funding foregone by one participant.

Background

On May 10, 2017, the Dallas City Council approved pilot program and funding for the Program in an amount not to exceed \$1.5 million (Public/Private Partnership Fund) to provide career pathways training for the unemployed and underemployed residents in the City of Dallas. The following entities were each awarded \$375,000:

Entity	Program
Serve West Dallas	Population Served: Out-of-School Youth <i>Area of Service: West Dallas</i> Industry: Healthcare (Patient Care Techs) Partners: El Centro Community College, Baylor University Medical Center, Anthem Strong Families, Young Life, Mercy Street
City Square	Population Served: Formerly Incarcerated <i>Area of Service: Southern Sector</i> Industry: Construction Partners: North Lake College, Construction Education Foundation, Mastek Engineering
Transformance, Inc.	Population Served: Single Parents <i>Area of Service: North of I30</i> Industry: Logistics; Partners: Mountain View College, Inspiring Tomorrow's Leaders, & Amazon
Dallas Area Habitat for Humanity	Population Served: Out-of-School Youth <i>Area of Service: South Dallas/Fair Park</i> Industry: Construction Partners: None

Program Update

In December 2017, each of the participants provided an update regarding their performance.

- One participant, Serve West Dallas, is on track to satisfy its contractual goals.
- One participant, Dallas Area Habitat for Humanity, determined that the contract would require significant changes to its business model and require it to hire additional staff at a cost that Habitat could not absorb. Habitat terminated its contract in November of 2017.
- The other two participants are not on track to comply with their contractual agreements.
- A detailed summary of the status of each of the three remaining contracts is attached as Attachment 1.

Program Issues

Staff determined that three main issues have hindered the success of the Program:

1. **ADMINISTRATIVE DELAY:** While Council approved the program funding and execution of contracts with the four grant recipients in May of 2017, the contracts were not executed until October of 2017. This delay was created due to the old staff process of sending files to the City Attorney's Office after Council approval. The new staff procedure requires that items have been submitted to the City Attorney's Office prior to placement of an item on the Council agenda, with the goal so this sort of administrative delay should not occur in the future. To address the impacts of this delay, staff recommends that the deadlines in each contract should be extended by six months.
2. **POPULATION AND BOUNDARY LIMITATIONS:** The program design limits the geographic area in which each agency may operate, and limit the populations that each program may serve. For example, Transformance, Inc. can only offer its program to single parents who live north of I-30. Married or childless persons who live north of I-30 are excluded from the program, as are all residents south of I-30. Staff recommends that the geographic boundaries of the programs be removed entirely, and that the population requirements be changed to a population preference.
3. **AWARENESS AND OUTREACH:** Low participation in the programs indicates that awareness of the availability of the programs may be limited. Staff is committed to marketing the programs to maximize participation and ensure success. We will work with other workforce agencies such as Workforce Solutions of Greater Dallas to build a stream of client referrals to the participating agencies. OED will also ramp up social media and other marketing efforts to increase awareness of the programs. Finally, staff will coordinate efforts with the Chief Resiliency Officer and the Chief of Community Services.

Next Steps

Staff proposes the following next steps:

1. **RE-ALLOCATE UNUSED FUNDING:** An RFP will be issued as soon as possible to re-allocate the \$375,000 in unused Habitat funding to a new entity. Staff anticipates that the RFP will be issued in early February and an item to approve the re-allocation of funding will come to Council in April of 2018.

DATE January 12, 2018
SUBJECT Workforce Readiness, Placement, and Retention Program Update
PAGE 3 of 5

2. **CONTRACT AMENDMENTS:** Staff will bring an item to Council in February to amend the three remaining contracts to remove the geographic restrictions, to change the population requirements to a population preference, and to extend the deadlines in the contracts by 6 months.
3. **COMMITTEE FOLLOW UP:** Staff will follow up with this Committee six months after the contracts are amended to report on whether the changes have improved program effectiveness.

Alternatives

If no action is taken, the participating agencies will continue to experience low participation and may not achieve their contractual goals.

Alternatively, the forfeited \$375,000 could be held until completion of the Economic Development Strategic Plan is complete. The strategy may identify other recommendations to address workforce development, and the funds could be deployed to address those new recommendations.

Fiscal Impact

No additional fiscal impact as the funds have already been allocated for the Program during FY 2016-17.

Departments/Committee Coordination

OED will work with other workforce agencies as well as the Chiefs of Resiliency and Community Services to increase awareness and participation in the Program.

Staff Recommendation

Staff recommends that the Economic Development and Housing Committee approve the issuance of an RFP to re-allocate the forfeited funds, and approve the proposed amendments to the three existing contracts.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela

Chief of Economic Development & Neighborhood Services

Attachment

c:	T.C. Broadnax, City Manager Larry Casto, City Attorney Craig D. Kinton, City Auditor Billierae Johnson, City Secretary (Interim) Daniel F. Solis, Administrative Judge Kimberly Bizzor Tolbert, Chief of Staff to the City Manager Majed A. Al-Ghafry, Assistant City Manager	Jo M. (Jody) Puckett, Assistant City Manager (Interim) Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager M. Elizabeth Reich, Chief Financial Officer Nadia Chandler Hardy, Chief of Community Services Theresa O'Donnell, Chief of Resilience Directors and Assistant Directors
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Attachment 1

Status Updates

Serve West Dallas (Program name: Step Forward)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve total of 60 individuals (minimum of 75% must be trained, placed, and retained by the end of the contract period) • Enroll 15 Fellows every 3 months into Patient Care Training program (Schedule established) – Total 4 Cohorts • Baylor University Medical Center (BUMC) will hire 40 Fellows after they successfully complete the program • 20 individuals will be hired by another Healthcare sector employer (partnership agreement is currently being established with Parkland Hospital) • Provide Case Management to 100% of individuals of each cohort during training and post-employment (6–12 months) 	<ul style="list-style-type: none"> • To date, Serve West Dallas has achieved 48.3% of its contractual goal by serving 29 of the required 60 individuals as stated in the contract. • 18 of the 29 participants in the 2 cohorts have completed patient care technician training at El Centro Community College with the remaining 11 participants currently enrolled in the program. • 2 of the 4 required cohorts have occurred (50% of the contract requirement). • 10 of the required 40 individuals have been hired at BUMC (25% of the contract requirement). • Serve West Dallas is in the process of negotiating partnership agreement with Parkland Hospital which should be finalized in the next 90 days. • Overall, Serve West Dallas is on target to meet its obligation.

City Square (Program name: WorkPaths Build4Success)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve a total of 90 individuals (a minimum of 75% (68) must be trained, placed, and retained) • 45 participants per year will be enrolled in the program • 45 participants per year will receive supportive services • Provide 100% Case management retention services 	<ul style="list-style-type: none"> • To date, City Square has served 13 of the required 90 participants or 14.4% of its goal. • Thirteen (13) of the six (6) participants have completed the training program with the remaining seven (7) currently enrolled in the training program. • All six (6) of the individuals who have completed the training program have also attained a credential in the construction industry. • Additionally, 5 of the 6 six graduates from the program are employed in the industry as electrical apprentices. • At this time, City Square is not on target to meet its goals. The grantee plans to improve its outreach under the program to increase its

	<p>participation rate going forward which shall include an improved marketing strategy.</p> <ul style="list-style-type: none"> • City Square agrees that the boundary restrictions and the lack of unified marketing platform have hindered their performance as its relates to the program.
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Transformance (CLASP – Career Ladder Advancing Single Parents)

Contractual Requirement	Performance as of December 2017
<ul style="list-style-type: none"> • Serve a total of 100 individuals (a minimum of 75% must be trained, placed, and retained in employment a minimum of 6 months) • Recruit and enroll 25 students in each Cohort with a maximum of 4 Cohorts. • Recruit and enroll 25 students in Logistics Certification training with Mountain View College for each Cohort. • Place a minimum of 75 individuals in positions available at Amazon and other Warehouse Employers • Provide 100 % Case Management to program participants 	<ul style="list-style-type: none"> • Transformance has served 15 of the required 100 individuals under the program (15% of its goal). • 2 of the 4 cohorts have been held (50% of its goal). • The participation in the two (2) cohorts that were held had 15 participants, which was below the required 50 participants associated with the cohorts 1 and 2 combined (42% of its goal). • Transformance is not on track to meet its contractual obligation. Going forward, the grantee plans to meet its targets by strengthening its community partnerships to improve its performance. • Transformance also supports the recommended program modifications to improve their performance and overall effectiveness of the workforce development program.

Workforce Readiness, Placement, and Retention Program

Courtney D. Pogue
Director
Office of Economic
Development



City of Dallas

Presentation Overview

- Background/History
- Program Updates
- Issues
- Proposed Program Changes
- Next Steps

Background/History

- What is the Workforce Readiness, Placement and Retention Program?
 - On May 10, 2017, the Dallas City Council approved the Workforce Readiness, Placement and Retention Program.
 - The program was developed in response to a skills gap report funded by JPMorgan Chase and presented to the City on March 2, 2016.
 - The purpose of the program is provide career pathways for the unemployed and underemployed residents in the City of Dallas.
 - The total program funding is \$1.5MM.

Background/History

Entity	Population Served	Area of Service	Industry	Funding Amount Approved
Transformance, Inc.	Single Parents	North of I30	Logistics	\$375,000
Serve West Dallas	Out of School Youth	West Dallas	Healthcare	\$375,000
City Square	Formerly Incarcerated	Southern Dallas	Construction	\$375,000
Dallas Area Habitat for Humanity	Out of School Youth	South Dallas/Fair Park	Construction	\$375,000



Program Update: Transformance, Inc.

Contract Requirement	Status Update as of December 2017
Serve 100 individuals	15 individuals served (15%)
Hold 4 cohorts with 25 students in each cohort	2 of the 4 cohorts have been held (50%) 15 students in 2 cohorts (30%)
Enroll 25 students in Logistics Certification at Mountain View	10 of 25 students enrolled (40%)
75 individuals in positions with Amazon and other warehouses	0 of 75 have been placed (0%)

Transformance, Inc. is not on track to meet its contractual obligations.

Program Update: Serve West Dallas

Contract Requirement	Status Update as of December 2017
Serve 60 individuals	29 individuals have been served (48.33%)
Enroll 15 fellows every 3 months for 4 cohorts for Patient Care Tech Training	2 of the 4 cohorts have been held (50%) 29 participants in 2 cohorts (97%)
Baylor University Medical Center will hire 40 fellows	10 of 40 have been hired (25%)
Partnership Agreement with Parkland Hospital	Agreement is being negotiated

Serve West Dallas is on track to meet its contractual obligation

Program Update: City Square

Contract Requirement	Status Update as of December 2017
Serve 90 individuals	13 individuals served (14.4%)
68 placed in the construction industry	5 of 68 have been placed in the construction industry (7.3%)

City Square is not on track to meet its contractual obligations.

Program Update: Habitat for Humanity

Under new leadership, the contract was evaluated and Habitat determined that the contract would require significant changes to their business model and require them to hire additional staff at a cost that Habitat cannot absorb.

Habitat will not move forward with the program.

Issues

- Geographic and population restrictions
 - Each program is limited to a specific geography, and can only serve a specific population within that geography
- Late start of the program
 - Council approval was in May of 2017, but contracts were not executed until Fall of 2017. Staff procedures have been amended to ensure that contract drafting requests are submitted to CAO prior to council approval, which should prevent this issue in the future.
- Lack of awareness of the program
 - Low participation in the programs indicates that awareness of the availability of the programs may be limited.

Proposed Program Changes

- Eliminate geographic restrictions.
- Convert population requirements to population preferences.
- Extend all contract deadlines by six months.
- Market the programs to drive awareness, and coordinate with other City efforts and other workforce entities to increase referrals to the programs.
- Issue an RFP to re-allocate the \$375,000 that was foregone by Habitat.

Next Steps

1. An RFP will be issued by February to re-allocate available funding to a new agency.
2. Staff will bring an item to Council in February to amend the three existing contracts to remove the geographic boundaries, change the population requirements to a preference, and extend the deadlines six months.

Workforce Readiness, Placement, and Retention Program

**Courtney D. Pogue,
Director, Office of
Economic Development
City of Dallas**



City of Dallas

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: January 24, 2018

COUNCIL DISTRICT(S): 2, 7, 14

DEPARTMENT: Office of Economic Development

CMO: Raquel Favela, 671-5257

MAPSCO: 45 M

SUBJECT

Authorize **(1)** a resolution of support for 2400 Bryan Street, LP, or its affiliate, related to its application for 9% Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) for the new construction of up to a 230-unit residential development at 2400 Bryan Street; and **(2)** a line of credit for the proposed development in the amount of \$500 – Financing: Public/Private Partnership Funds

BACKGROUND

City Council Adopted December 14, 2016 (Resolution # 16-1989) which guides the development community to carefully select the site for Housing Tax Credit (HTC) projects that desire City support:

- o Multi-family rental units seeking to be developed as new construction using housing tax credits shall not receive City support, including a resolution of “no objection” unless they are in census tracts meeting all of the criteria for “High Opportunity Areas”
- o High Opportunity Areas defined as:
 - Dallas census tracts with less than 20% poverty rate; and
 - in the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education AgencyNote that the 2018 Qualified Allocation Plan issued by TDHCA does not consider the school ratings.
- o Multi-family rental units seeking to be developed as a rehabilitation project using housing tax credits shall be considered city wide, subject to the City’s obligations to affirmatively further fair housing and uphold the Fair Housing Act, and shall not receive City support, including a resolution of “no objection” without proposed increased capital improvements, investment, and maintenance.

BACKGROUND (continued)

- o Allow support of all HTC projects if located in census tracts covered by an approved and funded Concerted Revitalization Plan (CRP).

Please note that all CRP's are expired and are under review through the Market Value Analysis and the development of a comprehensive housing policy due to be presented to City Council in March 2018.

- o Each project considered shall be evaluated by the Office of Fair Housing to ensure the project affirmatively furthers fair housing and otherwise complies with the City's obligation under the Fair Housing Act.

In December of 2017, RMGM Developers, LLC notified the City that it intends to develop a 14 to 15 story structure at 2400 Bryan Street with 5 floors of parking and 9 to 10 floors of residential units (Project). The Project will be developed and owned by a to-be formed partnership called 2400 Bryan Street, LP. RMGM or an affiliate of RMGM will control the general partner of the new entity. RMGM is owned by John H. (Jack) Matthews and D. Scott Galbraith.

The Project will have a total of up to 230 units, which will include 24 efficiency units, 130 one-bedroom units, 62 two-bedroom units, and 14 three-bedroom units. Approximately 120 of the 230 total units will be offered at market value rents. The remaining approximately 110 units will be reserved for low income households, of which 12 units will be reserved for households earning at or below 30% of area median family income, 46 units will be reserved for households earning at or below 50% of area median family income, and 52 units will be reserved for households earning at or below 60% of area median family income. The income-restricted units will be distributed throughout the unit types and throughout the Project.

The Project site is located in a High Opportunity Area, Walker Targeted Area as described under the Walker Consent Decree, and the Project will accept Walker Settlement Vouchers, a type of voucher administered by the Dallas Housing Authority. The project is located in Census tract 48113001701 which has a poverty rate of 5.9%. The project is served by Ben Miliam Elementary School which is rated "Met Standard".

The Project is part of multi-phased development that includes the Project, the recently opened Old Dallas High School redevelopment, and a future phase of commercial development. In addition to the approximately 230 residential units, the Project also includes approximately 400 parking garage spaces and 10,000 square feet of retail. The Project will break ground in early 2019 and will complete construction on or before August 31, 2021.

BACKGROUND (continued)

Because the City of Dallas has not been able to support LIHTC projects in the competitive 9% cycle in several years due to expired CRP's and no submittals in High Opportunity Areas, staff recommends assisting the project with a nominal \$500 line of credit through the Public/Private Partnership Fund for development costs which will allow them to score an additional point. Additional funding may be recommended for Council approval at a later time once staff completes financial underwriting for the Project.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development and Housing Committee on January 16, 2018.

FISCAL INFORMATION

Public/Private Partnership Funds - \$500

OWNER/DEVELOPER

RMGM Developers, LLC

Scott Galbraith, Member
Jack Matthews, Member
320 Main Street West
Lewisville, Texas 75057

January 24, 2018

WHEREAS, RMGM Developers, LLC, on behalf of a to-be formed entity called 2400 Bryan Street, LP, or an affiliate thereof (the “Applicant”) has proposed development of up to a 15-story structure at 2400 Bryan Street in the City of Dallas, Texas; and

WHEREAS, the proposed development will include 5 floors of parking and up to ten floors containing approximately 230 residential units, of which approximately 120 will be leased at market rates and of which approximately 110 will be reserved for low income households; and

WHEREAS, the Applicant has advised City that it intends to submit an application (TDHCA #18269) to the Texas Department of Housing and Community Affairs (TDHCA) for 2018 9% Housing Tax Credits for the proposed development at 2400 Bryan Street; and

WHEREAS, Pursuant to §11.3(c) of the TDHCA 2018 Qualified Allocation Plan (“QAP”), an Application that proposes the New Construction of a Development that is located one linear mile or less (from another Development that:

- (A) serves the same type of household as the proposed Development, regardless of whether the Development serves families, elderly individuals, or another type of household; and
- (B) has received an allocation of Housing Tax Credits or private activity bonds for any New Construction at any time during the three-year period preceding the date the Application Round begins;
- (C) has not been withdrawn or terminated from the Housing Tax Credit Program; and
- (D) does not meet one of the other exceptions listed in §11.3(c)(2)(A) – (F).

Such Developments shall be considered ineligible, unless the Governing Body of the appropriate municipality or county where the Development is to be located has by vote specifically allowed the construction of a new Development located within one linear mile or less from a Development described as TDHCA #17413, Flora Lofts; and

WHEREAS, the expenditure of Public/Private Partnership funds supporting this development project is consistent with the City’s revised Public/Private Partnership Guidelines and Criteria.

Now, Therefore,

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

January 24, 2018

SECTION 1. That the City of Dallas, acting through its governing body, hereby confirms that it supports the proposed development to be located at 2400 Bryan Street, the project's application for 2018 9% Housing Tax Credits, and any allocation by the TDHCA of 2018 9% Housing Tax Credits for the proposed development.

SECTION 2. That this formal action has been taken to put on record the support expressed by the City of Dallas on January 24, 2018, and that for and on behalf of the governing body, the City Secretary, or her designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION 3. That the City Manager or his designee, upon approval as to form by the City Attorney, is hereby authorized to execute a line of credit agreement in the amount of \$500 with 2400 Bryan Street, L.P. or its affiliate for the construction of the proposed development at 2400 Bryan Street. The agreement will have the following terms:

- a. 2400 Bryan Street, L.P. or its affiliate must be awarded 2018 9% Housing Tax Credits by TDHCA;
- b. The line of credit will have an interest rate of 1%. Interest will not be incurred or accrue until and unless funds are drawn; and
- c. The line of credit must be repaid in full on expiration or termination of the Land Use Restriction Agreement recorded by TDHCA.

SECTION 4. That as provided for in 10 TAC §11.3(d) it is hereby acknowledged that the proposed New Construction development is located one linear mile or less from a Development that serves the same type of household as the proposed Development and has received an allocation of Housing Tax Credits (or private activity bonds) for New Construction since **1/5/2015** and that the governing body of City of Dallas has by vote specifically allowed the construction of the development at 2400 Bryan Street and to authorize an allocation of Housing Tax Credits for the Development.

SECTION 5. That prior to 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 and other design standards.

SECTION 6. That the Chief Financial Officer be authorized to encumber and disburse funds from Public/Private Partnership Funds in accordance with this resolution as follows:

Fund 0352, Department ECO, Unit P151, Object Code 3015, Activity PPPF, Encumbrance/Contract No. ECO-2018-00005187, Vendor VC18122, in an amount not to exceed \$500.

January 24, 2018

SECTION 7. That the Chief Financial Officer is hereby authorized to set up a Receivable Balance Sheet Account in Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet 033F and an Unavailable Revenue Balance Sheet Account 0898 in fund 033F, in the amount of \$500.

SECTION 8. That the Chief Financial Officer is hereby authorized to receive, accept and deposit loan payments from 2400 Bryan Street, LP, in Public/Private Partnership Fund, Fund 0352, Department ECO, Principal Revenue Code 847G and Interest Revenue Code 0847H, and debit Balance Sheet 0001 (Cash); as well as debit Unavailable Revenue Balance Sheet Account 0898 and credit Receivable Balance Sheet account 033F.

SECTION 9. That the 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.

STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: January 24, 2018

COUNCIL DISTRICT(S): 3

DEPARTMENT: Office of Economic Development

CMO: Raquel Favela, 670-3309

MAPSCO: 61A -Y Z

SUBJECT

Authorize **(1)** a resolution of support for CLO Mountain Housing, LP, or its affiliate, related to its application for 9% Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) for the new construction of a 100-unit residential development located on the southwest corner of Camp Wisdom Road and Mountain Creek Parkway to be known as Cielo at Mountain Creek; and **(2)** a line of credit for the proposed development in the amount of \$500 - Not to exceed \$500 - Financing: Public/Private Partnership Funds

BACKGROUND

City Council Adopted December 14, 2016 (Resolution #16-1989) which guides the development community to carefully select the site for Housing Tax Credit (HTC) projects that desire City support:

- o Multi-family rental units seeking to be developed as new construction using housing tax credits shall not receive City support, including a resolution of “no objection” unless they are in census tracts meeting all of the criteria for “High Opportunity Areas”.
- o High Opportunity Areas defined as:
 - Dallas census tracts with less than 20% poverty rate; and
 - in the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education Agency

Note that the 2018 Qualified Allocation Plan issued by TDHCA does not consider the school ratings.

BACKGROUND (continued)

- o Multi-family rental units seeking to be developed as a rehabilitation project using housing tax credits shall be considered city wide, subject to the City's obligations to affirmatively further fair housing and uphold the Fair Housing Act, and shall not receive City support, including a resolution of "no objection" without proposed increased capital improvements, investment, and maintenance.
- o Allow support of all HTC projects if located in census tracts covered by an approved and funded Concerted Revitalization Plan (CRP).

Please note that all CRP's are expired and are under review through the Market Value Analysis and the development of a comprehensive housing policy due to be presented to City Council in March 2018.

- o Each project considered shall be evaluated by the Office of Fair Housing to ensure the project affirmatively furthers fair housing and otherwise complies with the City's obligation under the Fair Housing Act.

In January 2018, Casa Linda Development Corporation notified the City that it intends to develop a 100-unit multifamily development located on the southwest corner of Camp Wisdom Road and Mountain Creek Parkway to be known as Cielo at Mountain Creek (Project). The Project will be developed and owned by a to-be formed partnership called CLO Mountain Housing, LP. Highridge Costa Housing, LLC or a wholly owned subsidiary of Highridge Costa Housing, LLC will be the Managing General Partner and Casa Linda Development Corporation or a wholly owned subsidiary of Casa Linda Development Corporation will be the Administrative General Partner of the new entity. Highridge Costa Housing, LLC is owned by Certo Housing Partners, LLC (51%) and International Management and Development, Inc. (49%). Certo Housing Partners, LLC is 100% owned by Michael A. Costa and International Management and Development, Inc. is owned by Mohannad (Moe) Mohanna (50%) and Alison Mohanna (50%). Casa Linda Development Corporation is owned by Linda S. Brown (50%) and Sara Reidy (50%).

The Project will have a total of 100 units, which will include 70 one-bedroom units and 30 two-bedroom units. Ten of the units will be reserved for households earning at or below 30% of area median family income, 40 units will be reserved for households earning at or below 50% of area median family income, and 50 units will be reserved for households earning at or below 60% of area median family income.

This project is located in a High Opportunity Area in census tract 48113016510 which has a 9.1% poverty rate and is served by the Duncanville ISD in the attendance zone of the Hyman Elementary School and it has a rating of "Met Standard." The development will meet or exceed the 2010 ADA standards and Texas Accessibility Standards.

BACKGROUND (continued)

Because the City of Dallas has not been able to support LIHTC projects in the competitive 9% cycle in several years due to expired CRP's and no submittals in High Opportunity Areas, staff recommends assisting the project with a nominal \$500 line of credit through the Public Private Partnership Fund for development costs which will allow them to score an additional point.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

Information about this item will be provided to the Economic Development and Housing Committee on January 16, 2018.

FISCAL INFORMATION

Public/Private Partnership Funds - \$500

OWNERS

Highridge Costa Housing, LLC
Casa Linda Development Corporation

CO- DEVELOPERS

Highridge Costa Housing, LLC
Casa Linda Development Corporation

January 24, 2018

WHEREAS, Highridge Costa Housing, LLC and Casa Linda Development Corporation, on behalf of a to-be formed entity called CLO Mountain Housing, LP, or an affiliate thereof (the “Applicant”) has proposed development of a 100-unit affordable housing development, Cielo at Mountain Creek on the southwest corner of Camp Wisdom Road and Mountain Creek Parkway in the City of Dallas, Texas; and

WHEREAS, the Project will have a total of 100 units, all of the units will be reserved for low income households, which will include 70 one-bedroom units and 30 two-bedroom units; ten of the units will be reserved for households earning at or below 30% of area median family income, 40 units will be reserved for households earning at or below 50% of area median family income, and 50 units will be reserved for households earning at or below 60% of area median family income; and

WHEREAS, the Applicant has advised the City that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2018 9% Housing Tax Credits for the proposed development; and

WHEREAS, the expenditure of Public/Private Partnership funds supporting this development project is consistent with the City’s revised Public/Private Partnership Guidelines and Criteria.

Now, Therefore,

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

SECTION 1. That the City of Dallas, acting through its governing body, hereby confirms that it supports the proposed development to be located on the southwest corner of Camp Wisdom Road and Mountain Creek Parkway in the City of Dallas, Texas, the project’s application for 2018 9% Housing Tax Credits, and any allocation by the TDHCA of 2018 9% Housing Tax Credits for the proposed development.

SECTION 2. That this formal action has been taken to put on record the support expressed by the City of Dallas on January 24, 2018, and that for and on behalf of the governing body, the City Secretary, or her designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

January 24, 2018

SECTION 3. That the City Manager or their designee, upon approval as to form by the City Attorney, is hereby authorized to execute a line of credit agreement in the amount of \$500 with CLO Mountain Housing, LP or its affiliate for the construction of the proposed development. The agreement will have the following terms:

- a. CLO Mountain Housing, LP or its affiliate must be awarded 2018 9% Housing Tax Credits by TDHCA;
- b. The line of credit will have an interest rate of 1%. Interest will not be incurred or accrue until and unless funds are drawn; and
- c. The line of credit must be repaid in full on expiration or termination of the Land Use Restriction Agreement recorded by TDHCA.

SECTION 4. That prior to 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 and other design standards.

SECTION 5. That the Chief Financial Officer is hereby authorized to encumber and disburse funds from Public/Private Partnership Funds in accordance with this resolution as follows:

Fund 0352, Department ECO, Unit P151, Object Code 3015, Activity PPPF, Encumbrance/Contract No. ECO-2018-00005204, Vendor VC1823, in an amount not to exceed \$500.

SECTION 6. That the Chief Financial Officer is hereby authorized to set up a Receivable Balance Sheet Account in Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet 033F and an Unavailable Revenue Balance Sheet Account 0898 in fund 033F, in the amount of \$500.

SECTION 7. That the Chief Financial Officer is hereby authorized to receive, accept and deposit loan payments from CLO Mountain Housing, LP, in Public/Private Partnership Fund, Fund 0352, Department ECO, Principal Revenue Code 847G and Interest Revenue Code 0847H, and debit Balance Sheet 0001 (Cash); as well as debit Unavailable Revenue Balance Sheet Account 0898 and credit Receivable Balance Sheet account 033F.

SECTION 8. 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.