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CITY SECRETARY
DALLAS, TEXAS

Dallas Housing Acquisition and Development Corporation (DHADC)

Board of Directors Meeting

City Hall L1FN Auditorium

1500 Marilla Street, Dallas, Texas 75201

November 21, 2019 12:00 PM

Agenda

1. Call to Order – David Noguera
2. Public Testimony – public comment on items 3, 4, 6, 7, 8 and 9
3. Consideration and Approval of the Minutes of October 17, 2019 Board Meeting – David Noguera
4. Consideration and Approval of Treasurer's Report – Orlando Alameda
5. Discussion of Land Bank Inventory Report – Albert Gonzalez
6. Consideration and Approval of Land Bank application for 4 lots from Camden Homes, LLC – Albert Gonzalez
7. Consideration and Approval of Land Bank application for 18 lots from FOCIS Holding Group, LLC – Albert Gonzalez
8. Consideration and Approval of Land Bank application for 8 lots from Open Mindframe Ventures, LLC – Albert Gonzalez
9. Consideration and Approval of FY 19-20 Annual Urban Land Bank Demonstration Program Plan – Albert Gonzalez
10. Public Comment(s)
11. Next board meeting – December 19, 2019, 12:00 PM

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 Government 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 esta propiedad con una pistola a la vista."

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 2
Public Comment(s) on items 3, 4, 6, 7, 8 and 9

NOTES:

If there are any questions or if additional information is needed, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 3
Consideration and Approval of the Minutes of October 17, 2019 Board Meeting

Please find attached for your approval the minutes from the October 17, 2019 DHADC Board of Directors meeting.

If there are any additions or corrections to be noted, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

Attachment

Dallas Housing Acquisition and Development Corporation
Board of Directors
Meeting Records

October 17, 2019

BOARD OF DIRECTORS:
David Noguera, Presidente
Kris Sweckard, Vice President
Ken Smith, Director
Commissioner John Wiley Price, Director
Diane Butler, Director
Carl Simpson, Director

LAND BANK STAFF:
Albert Gonzalez, Interim Manager

Additional Staff/Guests/Speakers:
Alisha Palma, Housing
Julianne Nguyen, CAO
Marichelle Samples, CAO
Andrea Storer, CAO
David Lee, Housing
Tammi Southall, Housing
Ricardo Alonso, Confia Homes
Maureen Milligan, Housing
Kyle Hines, Housing
Dawn Edmond, Housing
Kendra Nichols, Housing
Natalie Salmeron, Housing
Albert Gonzalez, Housing
Theron Epps, Terracon
Tshonza Mayers, LGBS

AGENDA ITEMS AND DISCUSSION

Item # 1 Call to Order

David Noguera called meeting to order at 12:03 pm.

Note taker: Alisha Palma

Item #2 Public Testimony – public comment on items 3, 4, 6, and 7

This is a new addition being added to the agenda and expected to be on all agendas in the future. This item allows members of the public to speak on an item that is expected to have action.

Commissioner John Wiley Price requested that a sign in sheet be provided for speakers on action items.

Item #3 Consideration approval of the minutes August 8, 2019 Board Meeting - David Noguera

Mr. Ken Smith asked for a correction to be made, specifically noting Carl Simpson was not present at the previous meeting. Item # 6 reads Carl Smith and should read Ken Smith.

David Noguera asked for a motion to approve the minutes with the correction.

Ken Smith made the motion to approve the minutes with the correction.

Commissioner John Wiley Price seconded the motion.

David Noguera asked if there were speakers on this item, there were none.

Carl Simpson abstained from voting, the remaining members voted aye.

Item was approved.

Item #4 Consideration and Approval of Treasurer's Report – Orlando Alameda

Albert Gonzalez reviewed the Treasurer's Report for the month of September. This includes the Checking Activity Report and the Fund Balance Report.

Ken Smith asked about the organization's monthly fees for the account.

Albert Gonzalez stated that our finance person David Lee is working on expanding our Chase account services to include online capacity and the fees charged may change in the next month. After such time staff will review our account charges to determine if DHADC can eliminate all checking account fees.

David Noguera asked if there were any other questions about the treasury report, there were none.

Commissioner Price made the motion to approve the report as presented.

Diane Butler seconded the motion.
All voted in favor. Item was approved unanimously.

Item # 5 Discussion on the Inventory Report - Albert Gonzalez

Albert Gonzalez reviewed the DHADC Development Report Production and Inventory Status Report. He indicated there had not been a change from the previous month but there would be for October due to scheduled closings for Marcer Construction, Confia Homes and Hedgestone Investments in October.

Ken Smith asked about the totals on the Production Report, specifically lots in inventory and why there is a lots in inventory for the bottom project line item.

Albert Gonzalez replied that the Report could not be verified by staff at this time, but are planning on identifying the status of Land Bank lots in DHADC inventory and Developer's inventory. In addition, he commented that with the increased level of activity and investment by the Housing Department it was more than likely warranted to begin monitoring inventory specifically in that neighborhood.

David Noguera asked if there were any other question or comments regarding the Inventory Reports. There were none.

Item # 6 Discussion and the Review of Dallas Urban Land Bank Demonstration Program Interlocal Contract between DHADC and Dallas County, Dallas County Hospital District, Dallas Independent School District, Dallas County Community College District – Albert Gonzalez

Albert Gonzalez reviewed the Interlocal Contract which DHADC is required by state statue to renew with the City's taxing partners on an annual basis. Specifically, he stated staff was recommending the following change to the proposed 2019-2020 Resolution. The amendment will be Section 2, Item A to read as follows:

"The Contract will begin on October 1, 2019 and continue for an initial term of up to six (6) years, unless this Contract is otherwise terminated. This Contract may be renewed for two (2)-year terms by mutual written agreement of the parties hereto, executed not less than three (3) months prior to the expiration of the initial term or the first renewal term, as applicable."

This item previously read in Resolution #18681, Section 2, Item A as:

"The term of this contract shall begin on October 1, 2018 and end on September 30, 2019."

In addition, he noted that a copy of last year's resolution and contract were in the board packets to review as a point of reference.

Commissioner Price stated there has been a change in the District Attorney's Office and any contract moving forward should indicate the new District Attorney. In addition, he commented that these type of contracts which are renewed annually should be boilerplate to minimize the amount of changes needed.

David Noguera asked if there were any other comments or questions, there being none moved on to item #7.

<u>Item # 7</u> Consideration and Approval of Land Bank application for 7 lots from Confia Homes, LLC – Albert Gonzalez

Albert Gonzalez briefly presented the application received from Confia Homes, LLC for the acquisition of 7 lots. He noted that the applicant is purchasing 5 lots and swapping 2 lots. The board had previously approved the swap and were pending an application to do so. The representatives for Confia were present and Albert Gonzalez stated that if there were questions not addressed in the board packet, they would be available for questions. Albert Gonzalez shared the application scoring is done in four (4) basic categories Project Summary, Application Experience is very important history and record of developer is looked at how they are preforming overall specially within the housing department, Performa Underwriting, Project Summary. Staff looks at the ability to perform with significant consideration to the timelines in our application which performance timelines. He stated we would like to see them go a little faster to avoid potential reversions. Underwriting looks at their financial statements and starting to look at ratios for comparability and any potential financial constraints the developer may face. He concluded by discussing the location of the lots with there associated MVAs along with visuals of elevations and floorplans.

Commissioner Price asked if the stated values were a potential reason for the swaps.

David Noguera explained the premise of the MVA and how it is used in identifying smaller markets in the City. He also explained what an emerging market would be characterized as and how it could impact development in its proximity.

Albert Gonzalez recommended to move forward with the exchange of the two lots and sale of the 5 requested lots.

Commissioner Price asked if there were any individuals in the audience who would like to publicly comment on this agenda item. There were none.

Commissioner Price stated if there is no concerns or comments from the audience he would like to make a motion to approve the sale of five lots and swap of 2 lots to Confia Homes.
Kris Sweckard seconded the motion.

David Noguera asked for a vote. All voted in favor. Items was approved unanimously.

<u>Item #</u> 8 Discussion of proposed Land Bank application modifications – Albert Gonzalez

Albert Gonzalez reviewed staff recommended changes to the Land Bank application in an effort to increase effectiveness and create consistency with other housing programs. He discussed the following items:

- Separating the overview from the application, creating two separate documents.
- Utilizing the 24 CFR Part 5 definition for determining homebuyer's annual income.
- Requiring monthly reports during the project life cycle.
- Requiring submittal of building permits and final green tag.
- Cash flow statements for the project life cycle (single family developments).
- Staff determination for required community outreach for applicants purchasing 10 or more properties which are deemed "scattered" sites.
- Copies of lease agreement forms to be consistent with Texas property Code 92.253 (single family developments).
- Compiled/Reviewed financial statements (single family developments)
- Tax returns, (single family developments)
- Update attached exhibits to reflect modifications.

There was significant discussion regarding the request for tax returns. Albert Gonzalez stated that the returns were necessary for smaller startup firms without the 3 year financial documentation. David Noguera expressed concerns about adding more paperwork and possible obstacles to new developers applying for lots. He asked if staff had communicated with any developers about the possible request. Albert Gonzalez stated he had but only with 3 who did not express any objections.

At this time David Noguera asked Ricardo Alonso, Confia Homes, to approach the board and express his thoughts. Mr. Alonso relayed that he didn't have any issue with the request if it became a requirement.

Diane Butler stated that businesses should be able to provide basic financial statements and tax returns when necessary.

David Noguera asked staff to continue discuss changes with developers.

With no other comments, the board moved on to item #9.

David Noguera left the meeting at this time and asked Albert Gonzalez to finish the remaining agenda items.

<u>Item # 9</u> Discussion of November Board Meeting/Retreat – Albert Gonzalez

Albert Gonzalez stated that the idea of having a board retreat in the month of November was being considered and encouraged board members to contact him with any thoughts, topics or issues which could possibly be addressed.

Ken Smith indicated that he would like to see a flowchart of the timeline for DHADC acquisition of properties to project completion by a developer.

Diane Butler and Commissioner Price asked staff to research if there was any flexibility in the law to pursue other housing types beyond single family.

Commissioner Price asked that a copy of the state statutes be provided to the board members at the next board meeting.

Item #10 Public Comment(s)

Albert Gonzalez asked if there were any individuals signed up for public comment. There were none.

Item #11 Next board meeting – November 21, 2019, 12:00 PM

Albert Gonzalez announced the scheduled meeting date for the next board meeting.

Meeting was adjourned at 1:10pm.

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 4
Consideration and Approval of Treasurer's Report

Attached for your review is a summary of the financial activities of DHADC ending October 31, 2019.

If there are any questions or additional information is needed, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

Attachment

Memorandum

CITY OF DALLAS

DATE: Nov 14, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Oct 2019 Treasurer's Report

Following are activities of Oct 2019 and the financial status of DHADC as of October 2019:

LAND BANK FUNDS ON HAND – Oct 2019	
Operating Fund Account (Chase Checking Account):	
Beginning Balance	**$223,134.85**
Deposits:	**$85,449.00**
Total Deposit & Credits for Oct FY19-20	**$85,449.00**
Expenses:	
Bank fees	**$84.07**
Board lunch	**$247.49**
Research fee	**$700.00**
Total Withdrawals & Debits for Oct FY19-20	**$ 1,031.56**
Ending Balance	**$307,552.29**
City Obligation Bonds	
Beginning Balance	**$1,547,582.00**
Expenses	0
Ending Balance	**$1,547,582.00**
FUNDS AVAILABLE UNDER CONTRACT	
City Obligation Bonds	
Funds on hand	**$1,547,582.00**
Funds on hand	**$307,552.29**
TOTAL ALL FUNDS	**$1,855,134.29**

Orlando Alameda
Secretary/Treasurer

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 5
Discussion of Developers Production and Inventory Report

Attached for your review is a copy of the DHADC Developers Production and Inventory Reports as of October 30, 2019.

If there are any questions or if additional information is needed, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

Attachment

10/30/2019
Development

Developer Name	Total Lots Acquired	Lots Reverted	Inventory	Homes Under Construction	Homes Completed	Homes Sold
4E CDC	2	1	0	0	1	**0**
B & J Custom Homes	7	0	7	0	0	**0**
Builders of Hope CDC - (BOH)	56	7	10	0	0	**39**
C & C Corporation	4	0	0	0	0	**4**
Camden Homes	35	0	3	0	0	**32**
City Wide CDC	6	0	3	1	0	**2**
Confia Homes	55	0	30	2	1	**22**
Cooper Contractors	17	0	0	1	2	**14**
Cornerstone CDC	1	1	0	0	0	**0**
Dallas City Homes-(DCH)	12	4	0	0	0	**8**
Dallas Neighborhood Alliance for Habitat	214	19	17	0	0	**178**
DeSoto Real Estate Resource	18	0	13	2	0	**3**
DFW Construction/Projects	10	0	2	0	0	**8**
East Dallas Community Organization - (EDCO)	22	2	0	0	0	**20**
Eric Miller Homes	1	0	0	0	0	**1**
FOCIS Holing Group	9	0	9	0	0	**0**
Frazier Revitalization, Inc. - (FRI)	8	7	0	0	0	**1**
Harvard Finance North America	3	0	2	0	0	**1**
Hedgestone Investments	20	0	20	0	0	**0**
JDS-Q Services	4	0	1	0	0	**3**
KH Solutions	1	0	1	0	0	**0**
Life Changing	3	0	2	0	0	**1**
Marcer Construction	32	0	19	1	0	**12**
Meredith Investment Properties	3	0	0	0	0	**3**
New Vision Properties & Land	18	1	0	0	0	**17**
Opportunity Construction	5	0	1	0	0	**4**
Pace Homes	3	0	1	1	0	**1**
PAD Enterprises	2	0	2	0	0	**0**
Princess Palace	10	0	0	2	0	**8**
RPL Properties	69	0	14	3	0	**52**
Santos Coria	36	1	3	3	0	**29**
SCB Investments	2	0	0	0	0	**2**
Simply Custom	6	0	1	0	0	**5**
SOS Custom Homes	3	0	0	0	0	**3**
South Dallas/Fair Park Innercity CDC - (ICDC)	10	0	4	0	0	**6**
Sphinx Development Corporation	11	0	11	0	0	**0**
Sterling Oasis	6	0	1	1	0	**4**
Texas Heavenly Home Builders	12	6	6	0	0	**0**
Adjacent Owner	18	0	0	0	0	**18**
Total	**754**	**49**	**183**	**17**	**4**	**501**

Reverted Lots	
Total Reverted Lots	448
Total Reverted Lots on Hold	176
Potential Reverted Lots in Current Fiscal Year	0
Potential Reverted Lots to be Held	93

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 9
Consideration and Approval of Land Bank application for 8 lots from Open Mindframe Ventures, LLC

Attached for your review is the term sheet and brief summary of the Open Mindframe Ventures application to DHADC to acquire 8 lots to build affordable homes. This item is to consider approval of a resolution to authorize (1) approval of the development plan, submitted by the approved developer, for the construction of 8 affordable homes; and (2) the sale of 8 vacant lots from DHADC to the approved developer.

If there are any questions or if additional information is needed, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

Attachment

Dallas Housing Acquisition and Development Corporation

Term Sheet

Sale of Real Property

Enter into a Purchase and Sale Contract ("Contract") with Open Mindframe Ventures LLC or one of its affiliates ("Purchaser"). Purchaser will purchase the Property for the development of affordable housing units. The housing units will be constructed in accordance with the development plan submitted as part of the Land Bank application. Dallas Housing Acquisition and Development Corporation ("Seller") will sell the Properties to Purchaser under the following terms, subject to the approval of the Seller's Board of Directors.

Property List, Purchase Price, Home Model/Description, Max. Home Price, AMI Target

Property Address	Purchase Price	Discount	Home Model/Desc.	Max. Home Price	AMI Target
2722 Goodwill	$11,000	$0	The Cadie 3/2.5/2 1841 SF	$175,000	61-80%
2715 Goodwill	$11,000	$0	The Cadie 3/2.5/2 1841 SF	$175,000	61-80%
4006 Roberts	$8,500	$0	The Dakota 3/2/2 1815 SF	$160,000	61-80%
4010 Roberts	$8,500	$0	The Lauryn 3/2/2 1548 SF	$140,000	60% or less
4014 Roberts	$8,500	$0	The Lauryn 3/2/2 1548 SF	$140,000	60% or less
3715 Carpenter	$12,000	$0	The Dakota 3/2/2 1815 SF	$160,000	61-80%
4211 Carpenter	$12,000	$0	The Isaac 4/2/2 1923 SF	$180,000	81-115%
4226 Carpenter	$12,000	$0	The Isaac 4/2/2 1923 SF	$180,000	81-115%

Survey Purchaser may obtain a survey of Property at its sole cost and expense.

Reports Seller shall provide any existing environmental studies or other reports pertaining to the Property in its possession.

Closing	Within 60 days of the date of Dallas City Council approval of sale.
Title Company	Republic Title, 2701 W. Plano Parkway, Ste. 100, Plano, Texas 75075
Broker Fees	$475.00 per lot to be paid by Seller if applicable.
Closing Costs	Recording fee of $375.00 to be paid by Seller if applicable.
Property Taxes	Purchaser shall pay the prorated amount of property taxes for the portion of the year the property is owned by the purchaser.
Deed	Land Bank shall provide a deed without warranty. Property will be sold as is. Within three years of the execution of the deed without warranty, Purchaser must apply for construction permit. Purchaser shall develop affordable housing on each individual lot. Purchaser shall convey, transfer or sell the property to low income households approved by the DHADC's Administrator within four years of the execution of the deed without warranty. Low income household agrees to occupy the individual lot as its principal residence. Purchaser shall affirmatively disclose to potential purchaser the conditions and covenants in the deed restrictions. No individual lot may be initially sold, transferred or conveyed by Purchaser unless and until Purchaser provides to the Land Bank Administrator: Written documentation, satisfactory to the Land Bank Administrator, substantiating or verifying the income qualifications of the proposed purchaser. Written documentation that the sales price does not exceed the amount stated in the definition of affordable housing. Provisions of the deed restrictions shall run with the land as stated in the deed without warranty.
Homebuyer	Purchaser will meet the Homebuyer Underwriting Guidelines, as defined by HUD and calculated utilizing the 24 CFR Part 5 definition for determining annual income per 24 CFR Part 92.203b1, and complete the Homebuyer Checklist as defined in the Land Bank Application, Exhibit D and Exhibit E. Purchaser will utilize the guidelines set forth in the Buyer Expectations, Pre-Purchase Counseling Requirement, and Primary Loan Expectations as defined in the Land Bank Application, Exhibit D: Homebuyer Underwriting Guidelines.
Restrictive Covenants	Once sold, the property must be occupied by a low-income household for a period of five (5) years.

All residential properties are to be deed restricted to require the development and sale, rental or lease-purchase to households with a gross income not greater than 115% of the Area Median Family Income (AMFI).

Obligations to City

Purchaser must meet all current obligations with the City, as identified in the Dallas City Code Section 2-36 (Ordinance 25819). Below is a list of obligations as of 10/08/18, Purchaser is responsible for identifying any/all additional obligations.

Current Unpaid Liens	
None	

Current Unpaid Taxes	
None	

Project Requirements

Purchaser will meet construction timelines and comply with federal regulations as defined in the Land Bank Application.

Purchaser seeking to purchase ten (10) or more properties shall seek community input as required by Land Bank application.

Nonfulfillment of any requirements and/or restrictions contained in the Land Bank Application will impact scoring on future Land bank applications.

Compliance Issues

Compliance issues that have been identified by the Department of Housing and Neighborhood Revitalization are listed below (if any). It is possible that compliance issues other than those listed below exist and it is the responsibility of the Purchaser to ensure all compliance issues are property addressed.

- No issues have been identified

Compliance issues must be resolved before a sale of lots to the Purchaser will be recommended for the consideration by the Dallas City Council.

To confirm your acceptance of this Term Sheet, please sign and date this Term Sheet and return it to Albert Gonzalez, Housing and Neighborhood Revitalization Department, City of Dallas.

SIGNED for and on behalf of
Open Mindframe Ventures, LLC by:

Tiffany Dent, Managing Member
Authorized Signature

Tiffany Dent
Print Full Name

November 19, 2019
Date

Open Mindframe Ventures, LLC

Background:

Open Mindframe Ventures submitted an application for the recent NOFA offering this past July. However, because it is a competitive application for a cluster of lots this applicant did not make it to the underwriting round. Staff met with the applicant to review what could be done to improve their proposal for the next offering, including proposing a smaller project and re-evaluating price points. Staff recommended working with the Land Bank program to pursue a smaller project. Open Mindframe Ventureshas contracted with Ergo Construction to be the homebuilder on this project.

Project Summary:

Open Mindframe Ventures proposes to build for sale, single family homes within Council Districts 7 with a total project cost of $1,181,816. The proposal requests the acquisition of 8 lots from the City of Dallas' Land Bank Program: 2722 Goodwill, 2715 Goodwill, 4006 Roberts, 4010 Roberts, 4014 Roberts, 3715 Carpenter, 4211 Carpenter, 4226 Carpenter. The applicant will build homes with a sales price point of $140-$180k. There will be 4 models, the Lauryn which is listed as 3 bedrooms, 2 baths with a 2 car garage, the Dakota which is listed as 3 bedrooms, 2 baths with a 2 car garage, the Cadie which is listed as 3 bedrooms, 2.5 baths with a 2 car garage and the Isaac which is listed as a 4 bedroom, 2 baths with a 2 car garage. The Isaac model will have approximately 1,923 SF, the Cadie model will have approximately 1,841 SF, the Dakota model will have approximately 1,815 SF and the Lauryn model will have approximately 1,548 SF.

The appicant's contracted homebuilder, Ergo Construction has been active the past 10 years in constructing a mix of affordable housing and market rate homes. This year Ergo Construction has built and sold 6 homes which identified as comparable to those being proposed in this application. These homes ranged in price of $170,000 - $260,000. The remainder of the homebuilder's portfolio consists of homes built well above of what would be defined as affordable housing. This is the first application for Land Bank lots from this applicant.

The applicant, Tifanny Dent has a background in construction management and certifications as a minority and woman owned business. Paul Baccus has over 10 years of homebuilding experience ranging from $130k-$900k in the Dallas metro. In addition, the partnership includes a realtor specializing in the housing at the proposed price points and a lender specializing in homebuyer assistance programs in Dallas

Open Mindframe Ventures has obtained a line of credit of $2,000,000 specifically for the development of this project.

Project Costs:

The Applicant projects a total development cost of $1,181,816 with an average profit margin of 9.7%. The applicant anticipates a construction cost of approximately $79.96/SF for each of the Lauryn units proposed, a construction cost of approximately $80.36/SF for each of the Dakota units proposed, a construction cost of approximately $84.78/SF for each of the Cadie units proposed and a construction cost of approximately $85.90/SF for each of the Isaac units proposed. The average construction cost per unit is expected to be $147,727. This figure was derived from experience on similar projects in the Dallas market recently completed and under construction. Previous documented completed housing units

support the conclusion that the proposed construction cost is reasonable and achievable for this applicant. The applicant noted the construction costs breakdown, specifically materials used to support costs per SF. Therefore, cost reasonableness for construction of the units themselves has been established. The project budget also includes estimates of various other soft and carrying costs as well as typical costs of sale. Costs of the sale are included in Marketing and Closing costs. Other line items such as financing costs, permits and impact fees, professional fees and financing costs all appear reasonable as well. All soft costs are below the maximum allowable amount. In addition, the timeline for completed construction from acquisition is 100 days and sale from acquisition is 165 days.

Unit Sales:

The applicant included floor plans and elevations, with detailed square footage and unit features, along with proposed site plans. The units sold will range from 1,548 SF to 1,92 SF. The price point for the Lauryn units is expected to be $140,000, the price point for the Dakota units is expected to be $160,000, the price point for the Cadie units is expected to be $175,000 and the price point for the Isaac units is expected to be $180,000.

Model	SF	# of Units	Sales Price
Isaac	1923	2	$360,000
Cadie	1841	2	$350,000
Dakota	1815	2	$320,000
Lauryn	1548	2	$280,000
Total		8	$1,310,000

The Lauryn units at 1,548 SF will be listed at $90.44/SF for an average sales price of $140,000 each, the Dakota units at 1,815 SF will be listed at an average of $88.15/SF for an average sales price of $160,000, the Cadie units at 1,841 SF will be listed at an average of $95.06/SF for an average sales price of $175,000, and the Isaac units at 1,923 SF will be listed at an average of $93.60/SF for an average sales price of $180,000.

The proposed sale prices of the units appear reasonable given the existing market, observed sales and recent developer sales targeting similar AMIs. Home sales will be targeted to households earning between 50-115%. When applicable, the applicant works closely with mortgage lenders, realtors and non-profits which are well versed with down payment assistance programs in the area and utilize such programs regularly.

Lot Characteristics:

The proposed lots are categorized as I by the MVA. The 9 markets (A-I) identified by the City's Market Value Analysis on a spectrum of residential market strength or weakness. Those categorized A are the strongest areas in Dallas and I are the weakest as defined by a number of factors, such as foreclosure filings in the market and percent of vacant homes in the market. The applicant has previous experience constructing and selling affordable homes in markets identified as H and I. In addition, lot sizes range from 4000 SF to 7600 SF and all are appropriately zoned for residential use.

Address	MVA Category	SF
2715 Goodwill	I	7231
2722 Goodwill	I	4890
4006 Roberts	I	4000
4010 Roberts	I	4000
4014 Roberts	I	4000
3715 Carpenter	I	7656
4211 Carpenter	I	6412
4226 Carpenter	I	5899

Applicant Financial Snapshot:

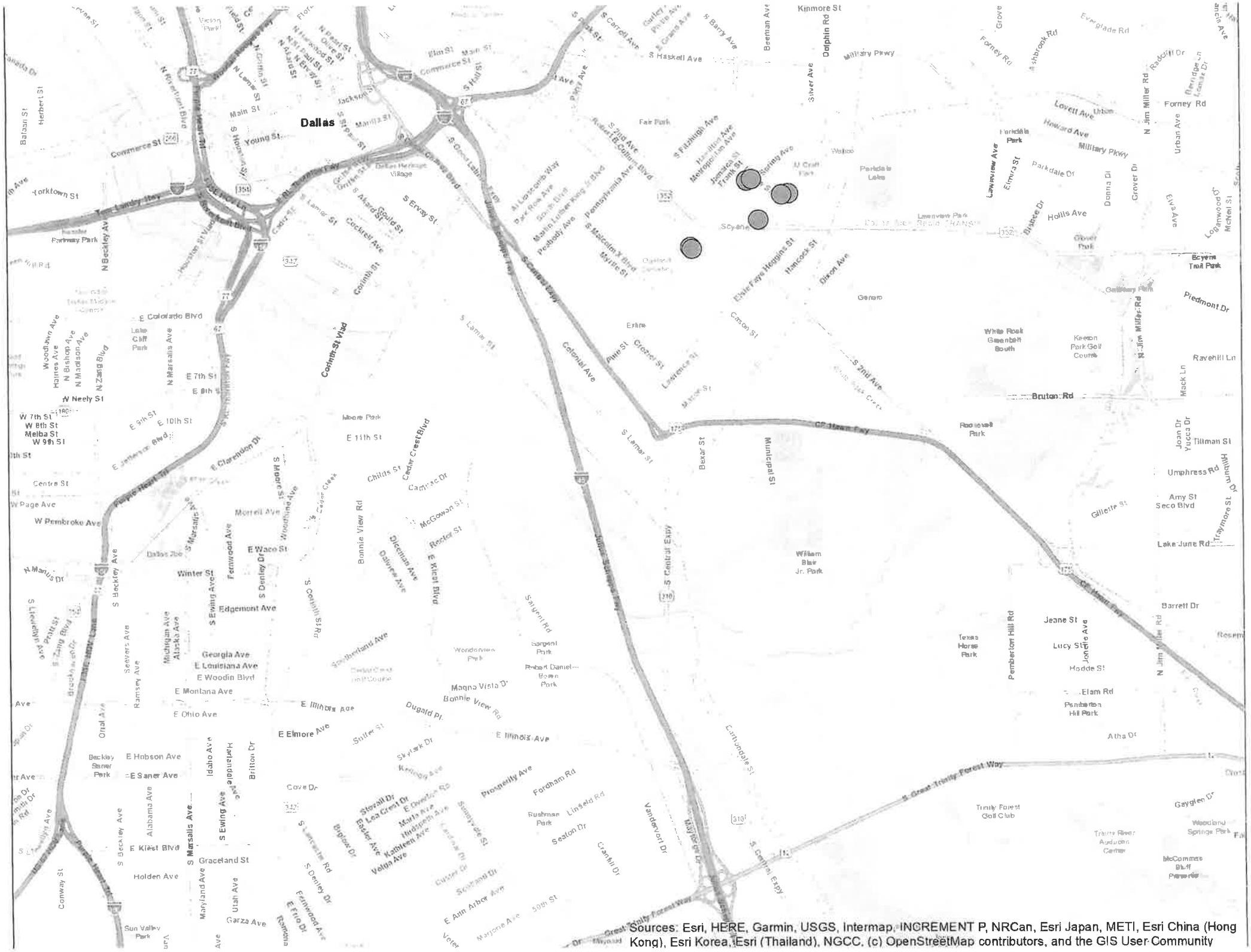
Reviewing the applicant's past 3 years financial statements indicated the applicant has enough equity and cash flow to support the initial investment requirements for the line of credit offered for the project. The line of credit provide enough cash flow in 1 fiscal year to finance the construction of the project based on projected costs, 1.6X. Based on the most recent financial statements provided the applicant currently has a manageable debt ratio (.48) and a projects a DSCR of 2.65 with a strong liquidity ratio. In addition, the applicant has a recently posted PM of 58%. There do not appear to be periods of cash flow issues in the forecast of the project.

Project Tax Impact:

The applicant's project when completed is expected to generate approximately $35,810 in annual property tax of which $10,173 will be allocated to the City of Dallas. The 5 year projection, intended to correlate with the required 5 year affordability period, is projected to be approximately $179,050 in property tax revenue of which approximately $50,867 will be collected by the City of Dallas.

Recommendation:

The project as proposed by the applicant is recommended for approval of the sale of 8 lots as requested through the Land Bank application. The applicant has established overall cost reasonableness, demonstrated funding commitments to complete the project and has provided a proforma that projects potential buyers within the requirements of the city's housing policy and adequate cash flow assuming sales of the units to those potential buyers within a reasonable time frame. The project advances the city's housing policy by providing single- family home ownership opportunities for households earning between 115% and below of AMIs.


Dallas
Commerce St
Young St
Main St
Jackson St
Elm St
Kinmore St
Dolphin Rd
Military Pkwy
Forney Rd
Lovett Ave
Howard Ave
Parkdale Dr
Hollis Ave
Bruton Rd
Piedmont Dr
Ravenhill Ln
Tillman St
Umphress Rd
Lake June Rd
Barrett Dr
Jeane St
Hodde St
Elam Rd
Atha Dr
Gayglen Dr
Colorado Blvd
E 7th St
E 8th St
E 9th St
E 10th St
E 11th St
W Neely St
W 7th St
W 8th St
Melba St
W 9th St
Centre St
W Page Ave
W Pembroke Ave
N Marsalis Ave
S Beckley Ave
Winter St
Edgemont Ave
E Waco St
Morrell Ave
Corinth St Vied
Colonial Ave
S Lamer St
S Central Expy
S Ewing Ave
Bonnie View Rd
E Kiest Blvd
Saigent Rd
Sargent Park
Robert Daniel Bowen Park
Wonderview Park
Magna Vista Dr
Dugald Pl
E Illinois Ave
E Elmore Ave
Sniter St
Skylark Dr
Prospenity Ave
Fordham Rd
Linfield Rd
Seaton Dr
Cranhill Dr
Vandervort Dr
Cutfoundale St
Bexar St
Municipal St
Roosevelt Park
William Blair Jr. Park
Texas Horse Park
Pemberton Hill Rd
Pemberton Hill Park
Trinity Forest Golf Club
Trinity River Audubon Center
Great Trinity Forest Way
S Great Trinity Forest Way
Hatcher Station
Sun Valley Park
Graceland St
Holden Ave
Garza Ave
E Ann Arbor Ave
Conway St
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

The Lauryn

THE Plan Factory

Plan Factory Plan: SF04041085

Living 1st	Living 2nd	Total	Garage	Porch	Patio	Porte Cochere	A.U.R.
1085	0	1085	439	24	0	0	1548

Width	Length
27'4"	63'3"

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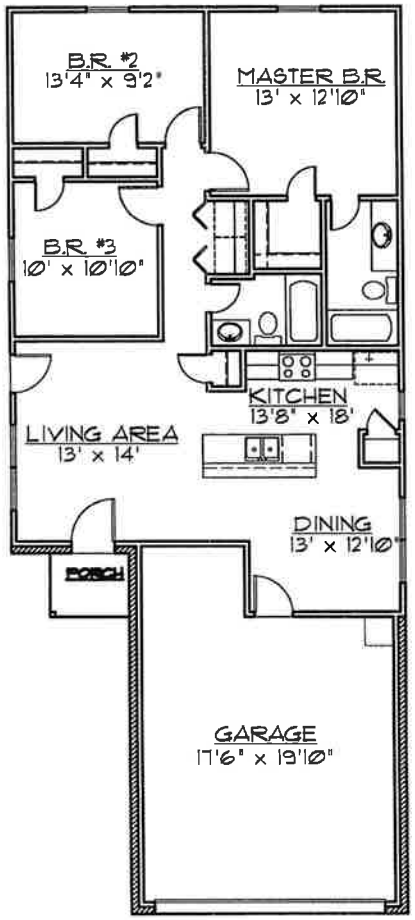
THE Plan Factory

Plan Factory Plan: SF04041085



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The Dakota

THE Plan Factory

FRONT ELEVATION

Plan Factory Plan: 1337SF07031337

Living 1st	Living 2nd	Total	Garage	Porch	Patio	Porte Cochere	A.U.R.
1337	0	1337	461	17	0	0	1815

Width	Length
40'	59'

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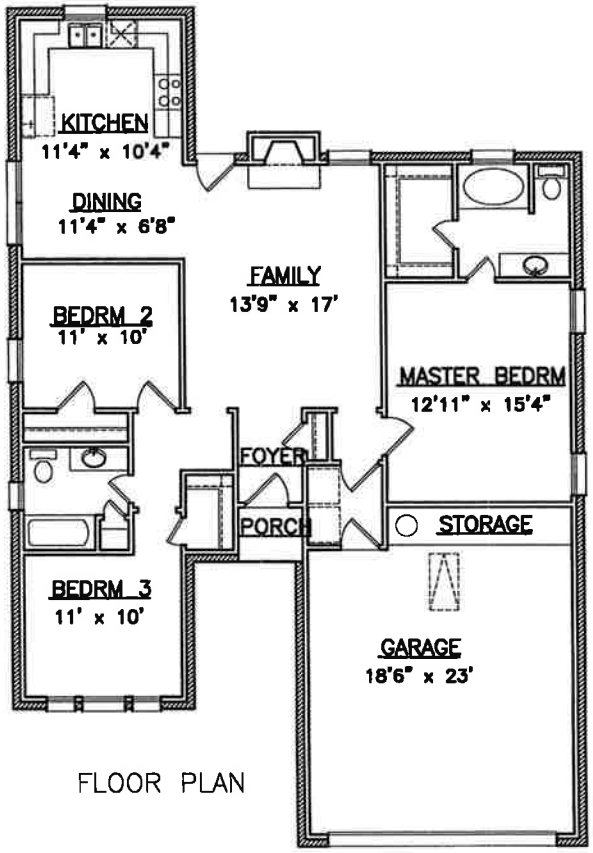
THE Plan Factory



FLOOR PLAN

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The Cadie

THE Plan Factory

Plan Factory Plan: TF09081415

Living 1st	Living 2nd	Total	Garage	Porch	Patio	Porte Cochere	A.U.R.
532	883	1415	407	19	0	0	1841

Width	Depth
25'4"	40'

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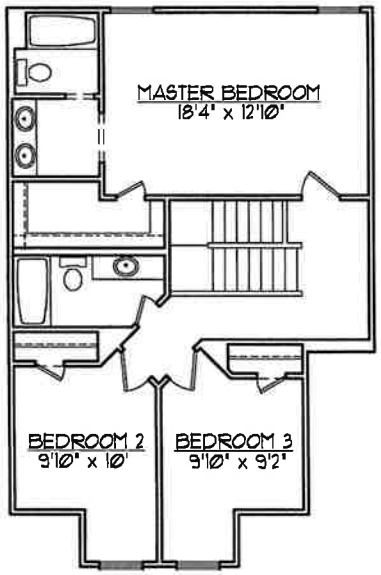
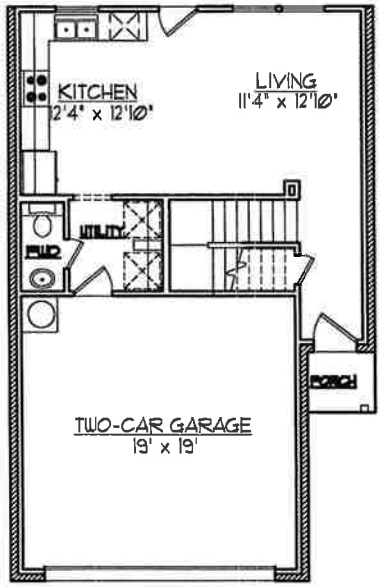
THE Plan Factory

Plan Factory Plan: TF09081415





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The Isaac

THE Plan Factory

Plan Factory Plan: SF11051504

Living 1st	Living 2nd	Total	Garage	Porch	Patio	Porte Cochere	A.U.R.
1504	0	1504	353	66	0	0	1923

Width	Depth
36'4"	53'7"

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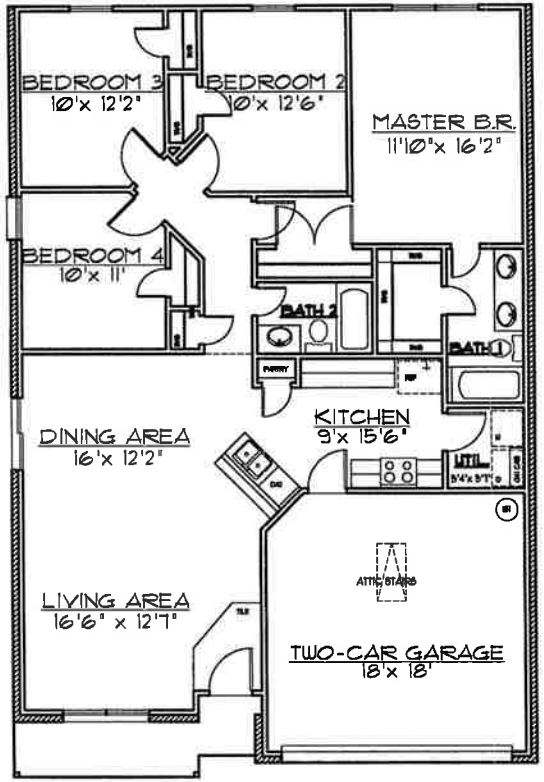
THE Plan Factory

Plan Factory Plan: SF11051504



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DALLAS HOUSING ACQUISITION AND DEVLOPMENT CORPORATION
CORPORATE RESOLUTION

Whereas, on January 28, 2004, by Resolution No. 04-0458, and pursuant to Chapter 379C of the Texas Local Government Code, the Dallas City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank; and

Whereas, Open Mindframe Ventures, LLC has submitted a proposal to purchase and develop 8 Land Bank lots, and

Whereas, the Board of Directors of DHADC, subject to approval by the Dallas City Council, desires to approve the proposed Development Plan submitted by Open Mindframe Ventures, LLC and authorize the sale of 8 Land Bank lots from DHADC to Open Mindframe Ventures, LLC to build affordable homes.

Now, therefore, be it Resolved by the Board of Directors:

1. That, subject to approval by the Dallas City Council, the Development Plan submitted by Open Mindframe Ventures, LLC and the sale of 8 lots shown on "EXHIBIT A" are approved.

2. That this resolution being approved at the Board of Directors meeting held on November 21, 2019 shall take effect immediately from and after its passage and it is accordingly so resolved.

_____ _____

President Secretary

EXHIBIT A

Property Address	Purchase Price	AMI Target
2722 Goodwill	$11,000	61-80%
2715 Goodwill	$11,000	61-80%
4006 Roberts	$8,500	61-80%
4010 Roberts	$8,500	60% or less
4014 Roberts	$8,500	60% or less
3715 Carpenter	$12,000	61-80%
4211 Carpenter	$12,000	81-115%
4226 Carpenter	$12,000	81-115%

Memorandum

CITY OF DALLAS

DATE: November 21, 2019

TO: Dallas Housing Acquisition and Development Corporation (DHADC) Board Members

SUBJECT: Agenda Item 10
Public Comment(s)

NOTES:

If there are any questions or if additional information is needed, please let me know.

Albert Gonzalez
Albert.Gonzalez@dallascityhall.com

DALLAS HOUSING ACQUISITION AND DEVLOPMENT CORPORATION
CORPORATE RESOLUTION

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1. That, subject to approval by the Dallas City Council, the Development Plan submitted by Open Mindframe Ventures, LLC and the sale of 8 Land Bank lots shown on "EXHIBIT A" are approved.

2. That this resolution being approved at the Board of Directors meeting held on November 21, 2019 shall take effect immediately from and after its passage and it is accordingly so resolved.

President

Secretary

Exhibit A

PARCEL NUMBER	STREET ADDRESS LEGAL DESCRIPTION	COUNCIL DISTRICT	QUALIFIED PURCHASER	SALE AMOUNT	AMI TARGET	BED/BATH	AMOUNT OF NON-TAX LIENS
1	**2722 Goodwill Ave** LA Spring Addition Blk A/1841 Lot 9	7	Open Mindframe Ventures LLC	$11,000.00	61% - 80%	3/2.5	$2,976.46
2	**2715 Goodwill Ave** LA Spring Addition Blk B/1841 Lot 6	7	Open Mindframe Ventures LLC	$11,000.00	61% - 80%	3/2.5	$17,566.60
3	**4006 Roberts Ave** HT Lackeys Second Avenue Blk 3/1783 Lot 8	7	Open Mindframe Ventures LLC	$8,500.00	61% - 80%	3/2	$21,180.74
4	**4010 Roberts Ave** HT Lackeys Second Avenue Blk 3/1783 Lot 7	7	Open Mindframe Ventures LLC	$8,500.00	Not greater than 60%	3/2	$6,457.13
5	**4014 Roberts Ave** HT Lackeys Second Avenue Blk 3/1783 Lot 6	7	Open Mindframe Ventures LLC	$8,500.00	Not greater than 60%	3/2	$18,836.64
6	**3715 Carpentar Ave** Feltons John B Blk A/2122 Lot 5	7	Open Mindframe Ventures LLC	$12,000.00	61% - 80%	3/2	$27,169.65
7	**4211 Carpentar Ave** Bertrand Place Blk 4/2386 Lot 4	7	Open Mindframe Ventures LLC	$12,000.00	81% - 115%	4/2	$18,481.59
8	**4226 Carpentar Ave** Bertrand Place Blk 3/2386 Lot 10	7	Open Mindframe Ventures LLC	$12,000.00	81% - 115%	4/2	$22,812.55
TOTAL				**$83,500.00**			**$135,481.36**

Dallas Housing Acquisition and Development Corporation

Term Sheet

Sale of Real Property

Enter into a Purchase and Sale Contract ("Contract") with Open Mindframe Ventures LLC or one of its affiliates ("Purchaser"). Purchaser will purchase the Property for the development of affordable housing units. The housing units will be constructed in accordance with the development plan submitted as part of the Land Bank application. Dallas Housing Acquisition and Development Corporation ("Seller") will sell the Properties to Purchaser under the following terms, subject to the approval of the Seller's Board of Directors.

Property List, Purchase Price, Home Model/Description, Max. Home Price, AMI Target

Property Address	Purchase Price	Discount	Home Model/Desc.	Max. Home Price	AMI Target	
2722 Goodwill	$11,000	$0	The Cadie 3/2.5/2 1841 SF	$175,000	61-80%	4
2715 Goodwill	$11,000	$0	The Cadie 3/2.5/2 1841 SF	$175,000	61-80%	
4006 Roberts	$8,500	$0	The Dakota 3/2/2 1815 SF	$160,000	61-80%	
4010 Roberts	$8,500	$0	The Lauryn 3/2/2 1548 SF	$140,000	60% or less	2
4014 Roberts	$8,500	$0	The Lauryn 3/2/2 1548 SF	$140,000	60% or less	
3715 Carpenter	$12,000	$0	The Dakota 3/2/2 1815 SF	$160,000	61-80%	
4211 Carpenter	$12,000	$0	The Isaac 4/2/2 1923 SF	$180,000	81-115%	2
4226 Carpenter	$12,000	$0	The Isaac 4/2/2 1923 SF	$180,000	81-115%	

Survey Purchaser may obtain a survey of Property at its sole cost and expense.

Reports Seller shall provide any existing environmental studies or other reports pertaining to the Property in its possession.

Closing	Within 60 days of the date of Dallas City Council approval of sale.
Title Company	Republic Title, 2701 W. Plano Parkway, Ste. 100, Plano, Texas 75075
Broker Fees	$475.00 per lot to be paid by Seller if applicable.
Closing Costs	Recording fee of $375.00 to be paid by Seller if applicable.
Property Taxes	Purchaser shall pay the prorated amount of property taxes for the portion of the year the property is owned by the purchaser.
Deed	Land Bank shall provide a deed without warranty. Property will be sold as is. Within three years of the execution of the deed without warranty, Purchaser must apply for construction permit. Purchaser shall develop affordable housing on each individual lot. Purchaser shall convey, transfer or sell the property to low income households approved by the DHADC's Administrator within four years of the execution of the deed without warranty. Low income household agrees to occupy the individual lot as its principal residence. Purchaser shall affirmatively disclose to potential purchaser the conditions and covenants in the deed restrictions. No individual lot may be initially sold, transferred or conveyed by Purchaser unless and until Purchaser provides to the Land Bank Administrator: Written documentation, satisfactory to the Land Bank Administrator, substantiating or verifying the income qualifications of the proposed purchaser. Written documentation that the sales price does not exceed the amount stated in the definition of affordable housing. Provisions of the deed restrictions shall run with the land as stated in the deed without warranty.
Homebuyer	Purchaser will meet the Homebuyer Underwriting Guidelines, as defined by HUD and calculated utilizing the 24 CFR Part 5 definition for determining annual income per 24 CFR Part 92.203b1, and complete the Homebuyer Checklist as defined in the Land Bank Application, Exhibit D and Exhibit E. Purchaser will utilize the guidelines set forth in the Buyer Expectations, Pre-Purchase Counseling Requirement, and Primary Loan Expectations as defined in the Land Bank Application, Exhibit D: Homebuyer Underwriting Guidelines.
Restrictive Covenants	Once sold, the property must be occupied by a low-income household for a period of five (5) years.

All residential properties are to be deed restricted to require the development and sale, rental or lease-purchase to households with a gross income not greater than 115% of the Area Median Family Income (AMFI).

Obligations to City

Purchaser must meet all current obligations with the City, as identified in the Dallas City Code Section 2-36 (Ordinance 25819). Below is a list of obligations as of 10/08/18, Purchaser is responsible for identifying any/all additional obligations.

Current Unpaid Liens	
None	

Current Unpaid Taxes	
None	

Project Requirements

Purchaser will meet construction timelines and comply with federal regulations as defined in the Land Bank Application.

Purchaser seeking to purchase ten (10) or more properties shall seek community input as required by Land Bank application.

Nonfulfillment of any requirements and/or restrictions contained in the Land Bank Application will impact scoring on future Land bank applications.

Compliance Issues

Compliance issues that have been identified by the Department of Housing and Neighborhood Revitalization are listed below (if any). It is possible that compliance issues other than those listed below exist and it is the responsibility of the Purchaser to ensure all compliance issues are property addressed.

- No issues have been identified

Compliance issues must be resolved before a sale of lots to the Purchaser will be recommended for the consideration by the Dallas City Council.

To confirm your acceptance of this Term Sheet, please sign and date this Term Sheet and return it to Albert Gonzalez, Housing and Neighborhood Revitalization Department, City of Dallas.

SIGNED for and on behalf of
Open Mindframe Ventures, LLC by:

Tiffany Dent, Managing Member
Authorized Signature

Tiffany Dent
Print Full Name

November 19, 2019
Date