



Legislation Text

File #: 20-892, Version: 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: August 12, 2020
COUNCIL DISTRICT(S): 7
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize an amendment to the housing development loan with Dallas Area Habitat for Humanity to (1) extend the completion date from August 31, 2017 to December 31, 2020 to resolve Davis Bacon compliance issues; and (2) change the funding information for final payment to close out the project - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

On June 10, 2015, City Council authorized a housing development loan with Dallas Area Habitat for Humanity (DAHFH) in the amount of \$540,000 in HOME Investment Partnership Funds (HOME) for construction costs for the development of 18 scattered sites homes located in the Joppa Neighborhood area. On September 14, 2016, City Council authorized an amendment to extend the housing development loan with DAHFH August 16, 2016 to August 31, 2017.

The units were built and sold by December 2017, but the project remained open pending clearance of Davis Bacon compliance on 2 units that was resolved in early 2019. In accordance with the U.S. Department of Housing and Urban Development's recommendation, DAHFH paid \$26,010.40 into an escrow account to be held by the City for three years or until wage claims are presented and agreed to take steps to locate missing compliance information. The Department of Housing and Neighborhood Revitalization (Housing), as well as the developer, went through staff changes and assignments which further delayed processing of the final payment in the amount of \$61,350.12. Last, the original funding number can no longer be used to provide final payment and therefore needs to be changed to a new funding number.

Original Encumbrance	Contract Amount	Amount Paid/Drawn	Remaining Funds & Final Payment
HOME-HM14	\$540,000.00	\$478,649.88	\$61,350.12

Housing would like to close out the project, recommends an amendment to the loan agreement to provide a contract extension, and update funding information to process final payment to close out the contract.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 10, 2015, City Council authorized a housing development loan in an amount not to exceed \$540,000.00 with DAHFH for the development of 18 affordable single-family homes to be located In the Joppa Neighborhood Project by Resolution No. 15-1078.

On September 14, 2016, City Council authorized an amendment to the housing development loan with DAHFH to extend the contract completion date from August 16, 2016 to August 31, 2017, by Resolution No 16-1449.

The Housing and Homelessness Solutions Committee was briefed by memorandum on June 22, 2020.

FISCAL INFORMATION

Change of funding information for final payment to close out the project is a no cost consideration to the City.

Fund	FY 2019-20	FY 2020-21	Future Years
Home Investment Partnerships Fund - HM14	(\$61,350.12)	\$0.00	\$0.00
Home Investment Partnerships Fund - HM15	\$61,350.12	\$0.00	\$0.00
Total	\$ 0.00	\$0.00	\$0.00

OWNER

Dallas Area Habitat for Humanity

David Crawford, Chief Executive Officer