



Legislation Text

File #: 20-2067, Version: 1

STRATEGIC PRIORITY: Human and Social Needs
AGENDA DATE: November 11, 2020
COUNCIL DISTRICT(S): 1
DEPARTMENT: Office of Homeless Solutions
EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize **(1)** an amendment to the loan agreement with PWA Coalition of Dallas, Inc. dba AIDS Services of Dallas and PWA Holdings LLC for substantial rehabilitation of the property located at 511 North Lancaster Avenue to **(a)** increase the amount of the loan by \$235,000.00, from \$1,190,445.00 to \$1,425,445.00; and **(b)** extend the completion date from September 30, 2020 to September 30, 2022; and **(2)** execution of any and all documents required by the amendments - Not to exceed \$235,000.00 - Financing: 2020-21 Housing Opportunities for Persons with AIDS Grant Fund (subject to appropriations)

BACKGROUND

This rehabilitation project consists of substantial rehabilitation of a property, located at 511 North Lancaster Avenue, to convert 8 housing units (4 one-bedroom units and 4 two-bedroom units) into 12 housing units (8 one-bedroom units and 4 efficiencies). Upon completion, 8 of the 12 housing units must be maintained to provide permanent housing for independent living for low-income persons living with HIV/AIDS for a minimum use period of not less than 10 years after the rehabilitation is completed, which is maintained through deed restrictions. Through separate, outside sources, PWA Coalition has been able to expand the development with the addition of four units.

On October 10, 2019, HUD granted a one-year extension of the FY 2016 HOPWA Grant for this project due to process delays, specifically relating to completion of the required environmental review. At that time, the City and ASD were committed to completing the project by September 30, 2020, but recognized that it was an aggressive timeline.

On November 13, 2019, City Council approved an amendment to the loan agreement with PWA Coalition to extend the completion date from September 30, 2019 to September 30, 2020. The environmental review was completed, and release of funds authorized on November 25, 2019, and the contract with ASD was executed in January 2020.

Less than two months later, on March 12, 2020, the COVID-19 pandemic emergency impacted our community, which resulted in emergency stay-at-home orders being issued (and extended multiple times) by Dallas County official based on public health guidance. While stay-at-home orders have gradually relaxed over the past several months since the Governor's Plan to Open Texas went into effect on May 1, 2020, the agency has not yet fully resumed normal operations.

During the COVID-19 period, ASD has continued to work remotely as much as possible on design plans, the permitting process, and competitive bidding for a general contractor, but the project has fallen significantly behind schedule. For this reason, by letter dated July 29, 2020, ASD requested a two-year extension of the contract with the City until September 30, 2022, and additional funds in the amount of \$235,000.00 to complete the project.

On August 22, 2020, the property sustained damage due to a fire. One of the buildings was completely destroyed, and the other suffered some damage. The cause of the fire is not known at this time. The property was insured and all insurance proceeds will be put back into the project. However, other than remediation efforts, construction had not yet begun.

On September 29, 2020, HUD granted an additional extension of FY 2016 HOPWA Grant funds to November 7, 2021 (with \$330,634.70 remaining to be spent by that date), and an extension of FY 2017 HOPWA Grant funds to September 30, 2022 (with the full amount of \$704,345.00 remaining to be spent by that date).

At this time, the design work has been completed, and plans are pending permitting approvals. ASD has completed the competitive bidding process and has selected a general contractor for the project. The agency is in the process of negotiating a construction contract with the successful bidder but does not anticipate executing that contract until its contract with the City can be extended. The agency has informed City staff that construction can be expected to take more time than usual because the general contractor must implement COVID-19 sanitation and social distancing precautions, such as limiting the number of trades working on-site at the same time. As well, inclement weather may cause additional construction delays. A two-year extension is necessary to allow ample time to complete the project. As well, the agency has informed City staff that construction costs have increased considerably since the original bid in 2018 and as a result of new COVID-19 protocols in 2020. As a result, the agency has requested additional funds to complete the project.

AIDS Services of Dallas ("ASD") is a non-profit agency located in the southwestern part of the city. The agency was founded in 1987, with its mission being to create and strengthen healthy communities through the delivery of quality, affordable, service-enriched housing for individuals and families living with HIV/AIDS. ASD has been providing supportive housing services continually since April 1987.

ASD provides HOPWA facility-based housing assistance (including housing and supportive services) for low-income and formerly homeless persons living with HIV/AIDS in four apartment communities (125 units). The properties are located in North Oak Cliff (75203), south of the Trinity River and adjacent to the Central Business District. They include Ewing Center, Hillcrest House, Revlon Apartments, and Spencer Gardens. All four properties were developed, in part, with HOPWA funding.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 22, 2016, City Council adopted the FY 2016-17 Consolidated Plan Budget for HUD Grant Funds by Resolution No. 16-1066.

On August 9, 2017, City Council adopted the FY 2017-18 Consolidated Plan Budget for HUD Grant Funds by Resolution No. 17-1171.

On November 28, 2018, City Council authorized a loan agreement with PWA Coalition and PWA Holdings LLC for a secured zero percent interest, forgivable loan agreement to provide for substantial rehabilitation of a property located at 511 North Lancaster Avenue providing permanent housing for persons with HIV/AIDS by Resolution No. 18-1691.

On November 13, 2019, City Council authorized an amendment to Resolution No. 18-1691, previously approved on November 28, 2018, for a loan agreement with PWA Coalition and PWA Holdings LLC for a secured zero percent interest, forgivable loan agreement to provide for substantial rehabilitation of a property located at 511 North Lancaster Avenue providing permanent housing for persons with HIV/AIDS, to extend the completion date from September 30, 2019 to September 30, 2020, by Resolution No. 19-1774.

On April 22, 2020, City Council adopted the FY 2020-21 HUD Consolidated Plan Budget for the U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 20-0655.

On October 28, 2020, City Council authorized preliminary adoption of Substantial Amendment No. 1 to the FY 2020-21 Action Plan to accept Coronavirus Aid, Relief, and Economic Security (CARES) Act Community Development Block Grant Funds, No. 3 from the U.S. Department of Housing and Urban Development; amend Resolution No. 20-0655, previously approved on April 22, 2020, with respect to adding missing HUD CARES Act grant numbers and CFDA numbers; amend and replace Schedules A through E to Resolution No. 20-0655, previously approved on April 22, 2020, to reallocate funds across departments and units as necessary in support of COVID-19 relief efforts; amend and replace Schedule A to Resolution No. 20-0994, previously approved on June 24, 2020, to reallocate funds with eligible categories to support of COVID-19 relief efforts; and expand eligibility for ESG homeless prevention assistance; and a public hearing to be held on November 11, 2020, by Resolution No. 20-1674.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
2020-21 Housing Opportunities for Persons with AIDS Grant Fund	\$235,000.00	\$0.00	\$0.00

OWNER

PWA Coalition of Dallas, Inc. dba AIDS Services of Dallas

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