

**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE**

DALLAS CITY COUNCIL COMMITTEE AGENDA

MONDAY, MAY 20, 2019

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 May 6, 2019 Meeting Minutes

**BRIEFINGS**

2. Proposed amendment to the City of Dallas Comprehensive Housing Policy to adopt a New Low Income Housing Tax Credit Policy  
Maureen Milligan, Assistant Director  
Housing and Neighborhood Revitalization
3. Abandonment Procedures and Fees  
Kris Sweckard, Director  
Sustainable Development & Construction
4. Dallas Love Field General Aviation Development & Dallas Executive Airport General Aviation and Commercial Development  
Mark Duebner, Director  
Aviation
5. NLC Service Line Warranty Program Overview  
Brian Davis, Senior Director  
Business Development

**UPCOMING AGENDA ITEMS**

May 22, 2019

Authorize **(1)** acceptance of a grant from the U.S. Department of Housing and Urban Development (Grant No. TXLHB0707-18) to support lead-based paint identification and remediation activities and the repair of conditions that exacerbate asthma for eligible housing units in an amount not to exceed \$2,300,000.00 for the period May 31, 2019 through November 29, 2022; **(2)** the establishment of appropriations in an amount not to exceed \$2,300,000.00 in the Lead Hazard and Healthy Homes Grant Fund F578; **(3)** receipt and deposit of grant funds in an amount not to exceed \$2,300,000.00; **(4)** required local cash match in an amount not to exceed \$735,000.00 from eligible Community Development Block Grant funds and other eligible Housing funds allocated for home repairs, new development or substantial rehabilitation activities; **(5)** creation of a Manager III position (Lead-Based Paint Hazard Control Program Manager) and a Grant Compliance Specialist position (Lead-Based Paint Hazard Control Program Grant Compliance Specialist); and **(6)** execution of the grant agreement and all terms, conditions and documents required by the grant agreement – Total not to exceed \$3,035,000.00 - Financing: U.S. Department of Housing and Urban Development Grant Funds (\$2,300,000.00) and local cash match (\$735,000.00) (subject to appropriations)

**A quorum of the City Council may attend this Council Committee meeting**

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 MEETING 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 esta propiedad con una pistola a la vista."*

# Economic Development & Housing Committee

## Meeting Record May 6, 2019

The Economic Development & Housing Committee meetings are recorded. Agenda materials are available online at [www.dallascityhall.com](http://www.dallascityhall.com). Agenda materials and recordings may be reviewed/copied by contacting the Committee Coordinator at 214-670-1686.

**Meeting Date:** May 6, 2019

**Meeting Start time:** 9:04 A.M.

<p><b>Committee Members Present:</b>                  Councilmember Tennell Atkins (Chair)                  Councilmember Rickey D. Callahan (Vice-Chair)                  Councilmember Lee M. Kleinman                  Councilmember Scott Griggs                  Councilmember Casey Thomas, II                  Councilmember B. Adam McGough                  Councilmember Mark Clayton                  Councilmember Kevin Felder                  Councilmember Omar Narvaez</p> <p><b><u>Other Council Members Present:</u></b>                  Councilmember Carolyn King Arnold</p> <p><b><u>Committee Members Absent:</u></b></p>	<p><b>Staff Present:</b>                  Michael Mendoza, Chief of Economic Development and Housing Services                  Courtney Pogue, Director-Office of Economic Development                  Kevin Spath, Assistant Director-Office of Economic Development</p>
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**AGENDA:**

**Housing Committee Meeting Called to Order by CM Tennell Atkins**

**1. Approval of April 15, 2019 Economic Development & Housing Committee Minutes**

Presenter(s): CM Tennell Atkins

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

<b>Motion made by:</b> CM Kevin Felder	<b>Motion second by:</b> CM Omar Narvaez
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):**

**Executive Session:** 9:47 A.M. to 10:46 A.M.

**2. Executive Session to discuss the offer of a financial or other incentive to Project RBG under Section 551.087 of the Texas Gov't Code**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 Courtney Pogue, Director of Office of Economic Development

**Information Only:** \_\_

**Action Taken/Committee Recommendation(s)** Motion was made to bring item back to the Committee with updated information.

<b>Motion made by:</b> CM Kevin Felder	<b>Motion seconded by:</b> 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):

**3. Executive Session to discuss the offer of a financial or other incentive to Project Urban under Section 551.087 of the Texas Gov't Code**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
Courtney Pogue, Director of Office of Economic Development

Information Only:   

**Action Taken/Committee Recommendation(s)** Motion was made to update Committee members with more information on project by Friday, May 10, 2019.

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

Follow-up (if necessary):

**4. Executive Session to discuss the offer of a financial or other incentive to Project CS under Section 551.087 of the Texas Gov't Code**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
Courtney Pogue, Director of Office of Economic Development  
Kevin Spath, Assistant Director of Office of Economic Development

Information Only:   X  

**Action Taken/Committee Recommendation(s)** Motion was made to move forward to full Council on May 22, 2019.

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

Follow-up (if necessary):

**5. Proposed Neighborhood Empowerment Zone #9**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
Courtney Pogue, Director of Office of Economic Development

Information Only:   

**Action Taken/Committee Recommendation(s)** Motion was made to move forward to full Council with the recommendations of the Committee.

<b>Motion made by:</b> CM Omar Narvaez	<b>Motion seconded by:</b> Rickey D. Callahan
Item passed unanimously: <u>      </u>	Item passed on a divided vote: <u>      </u>
Item failed unanimously: <u>      </u>	Item failed on a divided vote: <u>      </u>

Follow-up (if necessary):

**6. Establishment to Target Neighborhood Enhancement Program and Approval of Grant to The Golden S.E.E.D.S Foundation for Neighborhood Enhancements in The Bottom**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 Courtney Pogue, Director of Office of Economic Development

**Information Only:**    

**Action Taken/Committee Recommendation(s)** Motion was made to move forward to full Council on May 22, 2019.

<b>Motion made by:</b> CM Lee Kleinman	<b>Motion seconded by:</b> CM Mark Clayton
Item passed unanimously: <u>X</u>	Item passed on a divided vote: <u>   </u>
Item failed unanimously: <u>   </u>	Item failed on a divided vote: <u>   </u>

**Follow-up (if necessary):**

**7. Establishment of the Southern Dallas Investment Fund**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 Courtney Pogue, Director of Office of Economic Development

**Information Only:**    

**Action Taken/Committee Recommendation(s)** Motion was made to move forward to full Council on May 22, 2019.

<b>Motion made by:</b> CM Casey Thomas	<b>Motion seconded by:</b> CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: <u>   </u>
Item failed unanimously: <u>   </u>	Item failed on a divided vote: <u>   </u>

**Follow-up (if necessary):**

**MEMO**

A. History of Low Income Housing Tax Credit (LIHTC) Review Process 2010- Present

**Information Only:** X

**Action Taken/Committee Recommendation(s)**

<b>Motion made by:</b> <u>   </u>	<b>Motion seconded by:</b> <u>   </u>
Item passed unanimously: <u>   </u>	Item passed on a divided vote: <u>   </u>
Item failed unanimously: <u>   </u>	Item failed on a divided vote: <u>   </u>

**Follow-up (if necessary):**

**UPCOMING AGENDA ITEMS**

May 22, 2019

- B. Authorize (1) a public hearing to be held on June 12 2019, to receive comments concerning the renewal and expansion of the South Side Public Improvement District (the "District"), in accordance with Chapter 372 of the Texas Local Government Code (the "Act"), for the specified area of the District, for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District, and at the closing of the hearing; (2) approval of a resolution renewing the District for a period of seven years; (3) approval of expansion of the District's boundary; (4) approval of the District's Service Plan for 2020-2026 for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and (5) approval of management contract with South Side Quarter Development Corporation, a Texas nonprofit corporation as the management entity for the District - Financing: No cost consideration to the City - See Fiscal Information
  
- C. Authorize (1) a public hearing to be held on June 12, 2019 to receive comments concerning the renewal of the Uptown Public Improvement District (the "District"), in accordance with Chapter 372 of the Texas Local Government Code (the "Act"), for the specified area of the District, for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District, and at the closing of the hearing, (2) approval of a resolution renewing the District for a period of seven years, (3) approval of a Service Plan for 2020-2026 for the purpose of providing supplemental public services, to be funded by assessments on real property and real property improvements in the District; and (4) approval of a management contract with Uptown Dallas, Inc., a Texas nonprofit corporation as the management entity for the District - Financing: No cost consideration to the City - See Fiscal Information

**Information Only:** \_\_\_\_\_

**Action Taken/Committee Recommendation(s)** Motion was made to move forward to full Council.

<b>Motion made by:</b> CM Mark Clayton	<b>Motion seconded by:</b> CM Omar Narvaez
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:** 10:47 A.M.

**Approved By** \_\_\_\_\_

# Memorandum



CITY OF DALLAS

DATE May 17, 2019

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, Kevin Felder, Omar Narvaez

SUBJECT **Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New Low Income Housing Tax Credit Policy**

On Monday, May 20, 2019, the Economic Development and Housing Committee (Committee) will consider a proposal to amend the comprehensive housing policy to adopt a new low income housing tax credit policy.

## Summary

This memorandum summarizes the Department of Housing and Neighborhood Revitalization's (H&NR) proposal to amend the comprehensive housing policy (CHP) to adopt a new low income housing tax credit policy. The purpose of the low income housing tax credit policy is to set the parameters under which H&NR staff will evaluate proposals submitted by developers requesting resolutions of support or no objection from the City for housing development projects (Projects) seeking low income housing tax credits through the Texas Department of Housing and Community Affairs (TDHCA).

## Background

In 1986, Congress, through the Tax Reform Act, enacted Section 42 of the Internal Revenue Code (Section 42). Section 42 created low income housing tax credits (LIHTC) that may be awarded to owners of multi-family rental housing that meet certain income and rent restrictions and other program requirements. At the Federal level, the LIHTC program has very few requirements but does require that states designate an agency to administer the LIHTC program and develop a Qualified Allocation Plan outlining how LIHTC will be allocated and administered.

There are two forms of the LIHTC: 9% LIHTC and 4% LIHTC:

**9% tax credit program**—The nine (9) percent housing tax credit program is referred to as the “competitive” housing tax credit program because Projects seeking a 9% HTC allocation are scored, and thus compete against each other, based on criteria and procedures recommended each year by the TDHCA and approved by the Governor. The criteria and procedures are collectively referred to as the Qualified Allocation Plan (QAP). In general, the QAP's scoring criteria results in the TDHCA favoring projects that are close to the urban core of the City, have a high Opportunity Index (i.e. are located in census tracts with low poverty and crime and are close to public parks, transit and child care,

DATE May 17, 2019  
SUBJECT Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New  
Low Income Housing Tax Credit Policy

etc.), and are located in places that have the fewest LIHTC units per capita. Additionally, for an application to attain a total score that makes the application competitive, the Project must obtain a resolution of support from the applicable city council or other governing body.

***Timeframe for 9% HTC projects***—TDHCA begins accepting pre-applications for 9% Projects in January of each year and requires full applications, including resolutions, to be submitted in March. The state issues scoring notices in mid-May that identify Projects deemed “competitive” and issues final award notices in July.

**4% tax credit**—The four (4) percent housing tax credit program is referred to as the “non-competitive” housing tax credit program because Projects, while subject to some of the policies and procedures outlined in the QAP, are not subject to the scoring criteria or once-per-year timeframe for awards. The State will not allocate 4% LIHTC unless the project receives a resolution of no objection from the applicable city council or other governing body.

***Timeframe for 4% HTC projects***—Nearly all Projects seeking a 4% LIHTC allocation must partner with an issuer of Private Activity Bonds (PABs) and obtain tax-exempt bond financing for the project to be financially feasible. After an applicant identifies a PAB issuer, the applicant must apply for and obtain a Certificate of Reservation (CAR) from the Texas Bond Review Board (TBRB). Once a project receives a CAR, it must submit its application for LIHTC at least 75 days prior to one of the monthly meetings of the TDHCA board and the project must close on bond financing within 150 days from the issuance of the CAR.

### **Municipalities’ Role in Supporting HTC Projects**

Under the competitive scoring process for 9% LIHTC, the QAP allocates points for local government support. To receive these points, an applicant must include in its state application a resolution of support or resolution of no objection from the governing body of the municipality in which the proposed development site is to be located. More points are allocated to a resolution of support than a resolution of no objection, thus making a resolution of support a crucial component of an applicant’s state application for LIHTC.

Although 4% LIHTC applications are not competitively scored, the applicant must obtain a resolution of no objection from the governing body of the municipality in which the proposed development site is to be located. This is a threshold requirement for 4% credit awards. Applications that do not include a resolution of no objection cannot proceed.

On May 9, 2018, the City Council adopted the CHP by Resolution No. 18-0704, which included a policy for evaluating proposals submitted by developers requesting resolutions of support or no objection from the City for Projects seeking an award of LIHTC through TDHCA.

DATE May 17, 2019  
SUBJECT Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New Low Income Housing Tax Credit Policy

On October 24, 2018, the City Council considered a proposed amendment to the CHP to amend the City's LIHTC policy. The City Council deferred the item for six months so that the City Manager could review and present:

1. Recommendations regarding how to identify and evaluate rehabilitation of properties and to determine whether the rehabilitation affirmatively furthers fair housing;
2. Recommendations regarding a schedule for accepting applications for resolutions seeking housing tax credits through the Texas Department of Housing and Community Affairs; and
3. Engage the Housing Policy Taskforce to ensure that staff recommendations take into account feedback from the development community and neighborhood stakeholders.

From November 2018 through May 2019, the Housing Policy Taskforce held seven (7) subcommittee meetings and one (1) training session related to housing tax credits and where attendees discussed the existing LIHTC policy and developed proposed policy recommendations related to Projects including: rehabilitation standards for acquisition and rehabilitation projects, preventing displacement of existing tenants, and identifying priority needs related to projects developed in the City, among other items. The proposed policy, which is attached to this item as Exhibit A is the result of this collaborative work.

The proposed LIHTC policy addresses the City Council's October 2018 directive to the City Manager in the following manner:

1. **Timing**—The current LIHTC policy provides for applications to be accepted once a year in December, with any recommendations coming to City Council in March. This approach creates challenges for Projects in three ways: (1) it does not recognize the differences in the timing needs of 4% and 9% Projects, (2) it does not align to the TDHCA calendar, and (3) and creates potential delays in staff review by having all applications arrive at once.

To address this concern, staff recommends that the City move to a quarterly application process, which would be updated annually to align to the TDHCA calendar for 4% and 9% Projects. By spreading the applications across the year, this would also allow for more timely staff review of submitted applications.

2. **Scoring Criteria**—The current policy requires all applications to be scored based on an extensive list of criteria. In order to analyze potential opportunities for improvement in the evaluation criteria, especially as it relates to Projects seeking City support for the rehabilitation of existing LIHTC projects, staff conducted a survey of current LIHTC policies adopted by larger cities across Texas. This survey provided useful insights regarding how various cities have chosen to convey their priorities for the development of LIHTC projects.

DATE May 17, 2019  
SUBJECT Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New Low Income Housing Tax Credit Policy

Staff and stakeholders used these insights to develop a proposed policy framework that: (1) sets minimum standards (classified as Threshold items) that any LIHTC Project must meet in order to be eligible for a resolution of no objection as well as sets specific minimum standards for rehabilitation projects and projects sited in high poverty census tracts, (2) communicates the City's priorities related to 9% LIHTC Projects (classified as Priority Housing Needs Developments) by outlining six factors that will allow a 9% LIHTC Project to be eligible for the higher-value resolution of support, and (3) provides an alternative means by which a Project can be eligible for the higher-value resolution of support by demonstrating that it meets a combination of City priorities (classified as Scoring Factors for Other 9% HTC Applications).

3. **Fair Housing**—The current policy does not specifically state that all Projects are subject to a fair housing review by the Office of Equity and Human Rights. To support the City-wide commitment to affirmatively furthering fair housing, the proposed policy incorporates a fair housing review into the threshold requirements. Furthermore, the proposed policy incorporates specific fair housing considerations, including prioritizing projects in low-poverty areas, requiring projects in high-poverty areas to demonstrate significant commitment to on-site amenities, and creating a priority for units accessible to those experiencing homelessness.

### **Fiscal Impact**

A Resolution of Support for a 9% tax credit project requires a \$500 commitment from the City.

### **Departments/Committee Coordination**

The Department of Housing and Neighborhood Revitalization (H&NR) coordinated with the Office of Equity and Human Rights and the Office of Welcoming Communities & Immigrant Affairs. Additionally, H&NR received feedback from the Dallas Housing Authority, Dallas Housing Finance Corporation and the TDHCA. From November 2018 through May 2019, the Housing Policy Taskforce held 5 in-person meetings, 2 webinars, and 1 training session. A total of 186 persons representing 37 different organizations participated in these meetings.

### **Staff Recommendation**

Staff recommends that the Economic Development and Housing Committee vote to forward the proposed comprehensive housing policy amendment to the City Council for consideration.

Should you have any questions, please do not hesitate to contact me.

DATE May 17, 2019  
SUBJECT Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New  
Low Income Housing Tax Credit Policy



Michael Mendoza  
Chief of Economic Development and Neighborhood Services

c: Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

## **CITY OF DALLAS POLICY FOR SUPPORTING HOUSING DEVELOPMENTS SEEKING HOUSING TAX CREDITS**

The City of Dallas (“City”) has developed the following policy to outline its approach regarding requests from developers of projects seeking Housing Tax Credits (“HTC”) from the Texas Department of Housing and Community Affairs (“TDHCA”) for Resolutions of No Objection (sometimes referred to as “No Objection”) or Resolutions of Support (sometimes referred to as “Support”) from the City.

### **Background on Housing Tax Credits in Texas**

In 1986, Congress, through the Tax Reform Act, enacted Section 42 of the Internal Revenue Code (“Section 42”). Section 42 created Low Income Housing Tax Credits that may be awarded to owners of multi-family rental housing that meet certain income and rent restrictions and other program requirements. At the Federal level, the HTC program has very few requirements but does require that states designate an agency to administer the HTC program and develop a Qualified Allocation Plan (“QAP”) outlining how HTC will be allocated and administered. For Texas, the Texas Department of Housing and Community Affairs has been designated as that agency, and the QAP is updated annually.

There are two forms of the HTC: 9% HTC and 4% HTC.

9% HTC are considered to be “competitive.” The State receives a per capita allocation of HTC to award each year, and applications are scored and are awarded by TDHCA only once per year. 4% HTC, on the other hand, are “automatically” awarded to projects using eligible tax-exempt debt. As a result, 4% HTC are considered to be “non-competitive” since applications are not competitively scored and are awarded by TDHCA multiple times throughout the year.

Under the 9% HTC, a Proposer may receive points for local government support. To receive points, the application must include a Resolution of Support or No Objection from the governing body of the municipality in which the proposed development site is to be located.

Although 4% HTC applications are not competitively scored, the Proposer must obtain a Resolution of No Objection from the governing body of the municipality in which the proposed development site is to be located. This is a threshold requirement for 4% credit awards. Applications that do not include a Resolution of No Objection cannot proceed.

### **Overview**

This HTC policy seeks support the broad goals of the Comprehensive Housing Policy to do the following:

- Create and maintain affordable housing throughout Dallas,
- Promote greater fair housing choices, and
- Overcome patterns of segregation and concentrations of poverty through incentives and requirements.

The decision to provide a Resolution of No Objection or Support must be aligned with these goals. Unlike other City programs that directly invest in specific projects or provide direct incentives, such as fee waivers or tax abatements, the resolutions are an indirect way for the City to support the proposed development. Because of the points allocation for a Resolution of No Objection or Support for 9% HTC and the threshold requirement of a Resolution of No Objection for 4% HTC, the City’s position regarding a proposed development can greatly affect whether the proposed development is awarded HTC by TDHCA.

Given the substantial need for affordable housing across the City and that TDHCA administers the process for awarding HTC, the City has an interest in broadly supporting quality and responsible HTC proposals across the City. As such, the City will be supportive of maximizing production using HTC.

**Definitions:**

**Affordability Period** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Development** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Development Site** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Historically Underutilized Business** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Market Analysis** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Market Rate Housing Units** means units for which the rent may be adjusted by the Owner, as defined in the Qualified Allocation Plan, as amended, subject only to the terms of the lease. Housing units are not considered Market Rate Housing Units if the rent that may be charged and/or the tenant(s) who may occupy the units are limited by a: (1) a Land Use Restrictive Agreement (LURA) or other restrictive covenants, or (2) any other contractual agreement.

**Plan and Cost Review** means an analysis, usually conducted by a third-party consultant on behalf of a lender prior to approval of a construction loan or of construction-related information and documents that is intended to evaluate whether costs are appropriate, the construction plan is well-designed and there are appropriate allowances for contingencies.

**Proposer** means the Proposer, Developer, Development Owner, Development Team, and Owner as those terms are defined in the Qualified Allocation Plan, as amended.

**Qualified Non-Profit Organization** has the same meaning as the term is defined in the Qualified Allocation Plan, as amended.

**Registered Neighborhood Organizations** means an organization that has registered with and provided its boundaries to the City of Dallas Department of Planning and Urban Design.

**Calendar**

Proposers may submit a proposal in response to this policy regarding HTC at any time during the year. However, City staff will only review applications and schedule proposals for City Council consideration four times per year. This calendar will be updated and published annually to align with the TDHCA timeline by the City Manager or his/her designee.

The calendar for 2019 is as follows:

Application deadline	City Council Consideration
January 11, 2019	February
April 12, 2019	May
July 12, 2019	August
October 11, 2019	November

**Review & Recommendation Process**

1. City staff will review all applications. For both 4% and 9% HTC applications, City staff will recommend a Resolution of No Objection to City Council if City staff has determined, in its sole discretion, that the threshold requirements, as outlined below, have been met.
2. For 9% HTC applications that have met the threshold requirements, as outlined below, and address Priority Housing Needs Developments, as described below, City staff may designate these applications as “Priority Housing Needs Developments” and will recommend a Resolution of Support and a \$500.00 funding commitment to City Council if City staff has determined, in its sole discretion, that the threshold requirements and Priority Housing Needs Developments criteria have been met.
3. For 9% HTC applications that have met the threshold requirements, as outlined below, and obtain a minimum score of 50 points under the Scoring Factors for Other 9% HTC Applications section, and do not qualify as a “Priority Housing Needs Development”, City staff will recommend a Resolution of Support and a \$500.00 funding commitment to City Council if City staff determines, in its sole discretion, that the threshold requirements have been met and that the application has scored at least 50 points.

**4% and 9% HTC Applications Threshold Requirements**

1. Applicable to All Applications
  - Submission of a complete application to the City;
  - The Proposer must have site control (e.g. purchase option);
  - If not currently zoned for the intended use, the Proposer must have completed a formal consultation with City Planning staff outlining the process and requirements for rezoning the site;
  - The Development must meet TDHCA minimum site and development requirements. If undesirable site features exist, the Proposer must submit a mitigation plan that sufficiently mitigates undesirable site features and supports site eligibility pursuant to TDHCA standards;
  - The Development must meet TDHCA underwriting standards;
  - The Development must contribute to the City’s obligations to affirmatively further fair housing;
  - The Proposer must notify existing tenants living at the Development Site at least 45 days prior to submitting the proposal;
  - For any Development that is occupied by existing tenants that is not otherwise subject to the Uniform Relocation Act (URA), the development proposal must include a City-approved relocation plan that:

- Minimizes permanent displacement from the Development. In the event of permanent displacement, Proposers will be required to provide compensation to affected tenants that is otherwise in alignment with URA requirements;
- Must provide reasonable notice to affected tenants prior to any temporary relocation and covers all reasonable out of pocket costs incurred by tenants as a result of moving from one unit to another within the Development or temporarily vacating their units to allow rehabilitation work to proceed; and
- Proposer must meet all applicable state, federal, or local laws relating to displacement of tenants.
- For any Development involving rehabilitation or adaptive reuse (i.e. conversion of space originally designed and built for other than residential purposes), the Proposer must submit a Plan and Cost Review for the Development including all supporting documentation that formed the basis of the review;
- For any Development located in a census tract with a poverty rate of 40% or higher, the Development must achieve a minimum score under Resident Services element of the scoring factors below of:
  - 17 points for elderly developments;
  - 23 points for family developments; or
  - 22 points for permanent supportive housing developments; and
- The Proposer must be eligible pursuant to TDHCA standards and City standards:
  - A proposer is not eligible for any resolution if the Proposer i) is in debt to the City or delinquent in any payment owed to the City, in accordance with Dallas City Code Section 2-36, as amended; ii) is currently in litigation with the City, either as a defendant or plaintiff; or iii) within the last 10 years has been found liable of violating Chapter 20A (Fair Housing) or Chapter 46 (Human Rights and Sexual Orientation) of the Dallas City Code.

2. Developments Involving Rehabilitation of Existing Housing

- The proposed scope of work must be informed by a capital needs assessment (CNA), prepared by a qualified third-party professional that is independent from the Development’s architect or engineer, builder/general contractor, or other member of the Development Team. The City will review the CNA and conduct a site visit. The CNA must demonstrate to the City’s satisfaction that the initial scope of work is sufficient to address all City code violations (whether formally cited or not). Further, the scope of work, combined with planned replacement reserve funding, must be determined sufficient to address all projected repairs or replacements of the following items through the entire term of the Development’s affordability period:
  - All major systems including roof, foundation, electrical, HVAC, and plumbing;
  - Interior and exterior windows and doors;
  - The interiors of all units including the kitchen and bathroom and all major appliances;
  - The exterior of the development, including balconies, walkways, railings, and stairs;
  - Communal facilities such as community rooms, fitness centers, business centers, etc.; and
  - Security features including gates and security cameras.
  - Accessibility

**Priority Housing Needs Developments (applicable to only 9% HTC Applications)**

A 9% HTC application that meets any of the following criteria may be designated by City staff as a “Priority Housing Needs Development” and recommended for a Resolution of Support and \$500.00 funding commitment to City Council, if City staff has determined, in its sole discretion, that the threshold requirements and Priority Housing Needs Developments criteria have been met:

1. The development proposal has been selected within the past three years to receive City funding (including federal funds such as HOME, CDBG, etc. or local funding such as General Obligation Bond funding) under a competitive application process administered by the Department of Housing and Neighborhood Revitalization and otherwise remains in compliance with all funding requirements;
2. The proposal includes participation by the Dallas Housing Finance Corporation or City of Dallas Public Facilities Corporation applicable to housing (if created). Such participation must include ownership of the underlying development site by the entity and/or stake in the ownership structure of the development;
3. The proposal involves the redevelopment of public housing owned by the Dallas Housing Authority under the Choice Neighborhoods, Rental Assistance Demonstration, HOPE VI, or other similar HUD programs that may be created;
4. The development proposal is located in a census tract with a poverty rate below 20%;
5. The development proposal is within any area designated as a Redevelopment Reinvestment Strategy Area (RSA) or a Stabilization RSA in this Comprehensive Housing Policy; or
6. Developments with at least 50 units for which the Owner must enter into an MOU with the lead entity of the Continuum of Care by which the project will prioritize at least 20% of units for tenants referred from the Continuum of Care Housing Priority List.

**Scoring Factors for Other 9% HTC Applications**

For 9% HTC Applications that do not qualify as a Priority Housing Needs Development, the application must achieve a minimum score of 50 within this section, **Scoring Factors for Other 9% HTC Applications**, to be recommended by City staff for a Resolution of Support and \$500.00 funding commitment to City Council, if City staff has determined, in its sole discretion, that the threshold requirements have been met and the application scores a minimum of 50 points under this section.

***Mixed-Income Projects (Maximum of 20 points)***

Proposals including market rate units (i.e. those without income/rent restrictions) as follows:

Percentage of Market-Rate Units	Points
At least 5% but less than 10% market rate units	5
At least 10% but less than 15% market rate units	10
At least 15% but less than 20% market rate units	15
At least 20% market rate units	20

***Qualified Nonprofit or Historically Underutilized Business on Development Team (5 points)***

To receive these points, the development team must include a Qualified Nonprofit Organization or Historically Underutilized Business (“HUB”) that has a controlling interest in the development. If ownership is a limited partnership, the Qualified Nonprofit Organization/HUB must be the Managing General Partner with greater than 50% ownership in the General Partner. If ownership is a limited liability company, the Qualified Nonprofit Organization/HUB must be the controlling Managing Member with greater than 50% ownership in the Managing member. Additionally, the Qualified Nonprofit Organization/HUB or its affiliate or subsidiary must be the developer or a codeveloper of the Development.

**Proximity of Amenities to Development Site (Maximum of 25 points)**

The following matrix shall be used in scoring the Development under this category:

Amenity	1/4 mile or less	>1/4 mile and < 1/2 Mile	1/2 mile and up to 1 mile
High Frequency Transit	5	3	1
Public Park	5	3	1
Full Scale Grocery Store	5	3	1
Community/Senior Center or Library	5	3	1
Licensed Day Care	5	3	1
Amenity	1/2 mile or less	>1/2 mile and < 1 mile	1 mile and up to 2 miles
Qualifying Medical Clinic or Hospital	5	2	1
Amenity	20 minutes or less	>20 min. and < 40 min.	More than 40 min.
Transit time to Major Employment Center	5	2	0

DRAFT

**Resident Services (Maximum of 25 points)**

*Note: The list of potential resident services is derived from, but not identical to, the QAP, as amended. The services outlined in the table below are shorthand descriptions, but the City will use the same definitions and requirements for each service as outlined in the QAP, as amended. For purposes of this section, however, the City will use its own scoring criteria to award points. In some cases, the points available may vary from those awarded under the QAP, as amended. Additionally, the total points available are not capped in the City’s scoring rubric in the same manner as they are for the QAP, as amended. City Manager or designee may amend the service descriptions categories and point allocations on an annual basis based on the annually updated QAP. The maximum points allocated to Resident Services will remain the same (25 points).*

Service Description	Reference within the 2019 QAP §11.101(b)(7)	Points for City Scoring
<b>Transportation Services</b>		
Min. 3x/week shuttle to grocery/pharmacy or big-box retail; OR daily shuttle during school year to nearby schools not served by school bus system	(A)(i)	3.5
Monthly transportation to community/social events	(A)(ii)	1
<b>Children Services</b>		
High quality PreK program with dedicated space on-site	(B)(i)	4
Min. 12 hours/week organized on-site K-12 programming (e.g. tutoring, after school and summer care, etc.)	(B)(ii)	3.5
<b>Adult Services</b>		
Min. 4 hours/week organized onsite classes for adults (e.g. GED, ESL, financial literacy, etc.)	(C)(i)	3.5
Annual income tax preparation	(C)(ii)	1
Contracted career training and placement partnerships with local employers	(C)(iii)	2
Weekly substance abuse meetings at project site	(C)(iv)	1
<b>Health Services</b>		
Food pantry accessible to residents (on site or via on-request transportation)	(D)(i)	2
Annual health fair	(D)(ii)	1
Weekly exercise classes	(D)(iii)	2
Contracted on-site occupational or physical therapy for elderly or disabled tenants	(D)(iv)	2
<b>Community Services</b>		
Partnership with local law enforcement to provide quarterly activities with tenants	(E)(i)	2
Notary services for tenants	(E)(ii)	1
Min 2x/month arts, crafts, or other recreational activities (e.g. book club)	(E)(iii)	1
Min 2x/month on-site social events (e.g. potlucks, holiday celebrations, etc.)	(E)(iv)	1
Case management for elderly, disabled, or special needs tenants	(E)(v)	3
Weekly home chore and quarterly preventative maintenance for elderly or disabled tenants	(E)(vi)	2
Social Security Act Title IV-A programming	(E)(vii)	1
Part-time resident services coordinator (min. 15 hours/week) or contract for same through local provider	(E)(viii)	2
Education/tuition savings match or scholarship program for residents	(E)(ix)	2

# **Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New Low Income Housing Tax Credit Policy**

**Economic Development &  
Housing Committee  
May 20, 2019**

**David Noguera, Director  
Maureen Milligan, Assistant Director  
Dionne Roberts, Consultant  
Housing and Neighborhood Revitalization  
City of Dallas**



# Presentation Overview

- Background/History
- Program Overview
- Recent Activities
- Areas of Concern
  - Timing
  - Criteria
  - Fair Housing
- Fiscal Impact
- Next Steps

# Background/History

- The City of Dallas has authority to provide Resolutions of No Objection and Resolutions of Support to development proposals seeking LIHTC funding from the State.
- With the adoption of the Comprehensive Housing Policy on May 9, 2018, City Council adopted a policy to guide decisions on what proposals should receive City support.
- In October 2018, Council provided direction to City staff to review this policy and bring back recommendations that would better align the housing policy priorities with the competitive process.

# Program Overview

## Low-Income Housing Tax Credit (LIHTC)

Created by Tax Reform Act of 1986

- Governed by Section 42 of the Internal Revenue Code

In return for investment in qualified affordable rental housing

- Investors receive credits against income tax owed
- And additional tax benefits from passive losses (depreciation)

Primary funding mechanism for affordable rental housing

- 90% of newly built affordable rental housing includes LIHTC
- Through 2017, has produced +/- 2.3M units nationally

Federal credit, but administered at state level

- Allocated by the Texas Department of Housing and Community Affairs
- Qualified Allocation Plan outlines rules of the road

9% credit	4% credit
Each state receives \$2.76 per capita in credit "ceiling"	Comes "automatically" with tax-exempt private activity bond financing
QAP defines competitive criteria and provides for various geographic pools	Must meet threshold requirements of QAP but not competitive per se



# Program Overview

## Financial Implications

	4%	9%
■ Depreciable Basis	■ \$10M times	■ \$10M times
■ Applicable Fraction (% affordable)	■ 100%	■ 100%
■ Eligible Basis (sometimes “boosted”)	■ = \$10M	■ = \$10M
■ Credit Rate (“9%” vs “4%”)	■ 4% =	■ 9% =
■ Annual Credits	■ <b>\$400K</b>	■ <b>\$900K</b>
■ For 10 years	■ times 10	■ times 10
■ Investor Ownership Percentage	■ times 99.99%	■ times 99.99%
■ Pricing (per \$1.00 of credit)	■ times \$0.90	■ times \$0.90
■ Yields Equity	■ <b>\$3,599,640</b>	■ <b>\$8,099,190</b>



# Recent Activities – Consultation with Stakeholders

1. Consultation with HUD

2. LIHTC 101 Training

3. Housing Policy Taskforce - Neighborhood Quality of Life Committee

4. TDA Consulting (LIHTC Experience)

5. Housing Policy Taskforce LIHTC Working Group

6. TDHCA

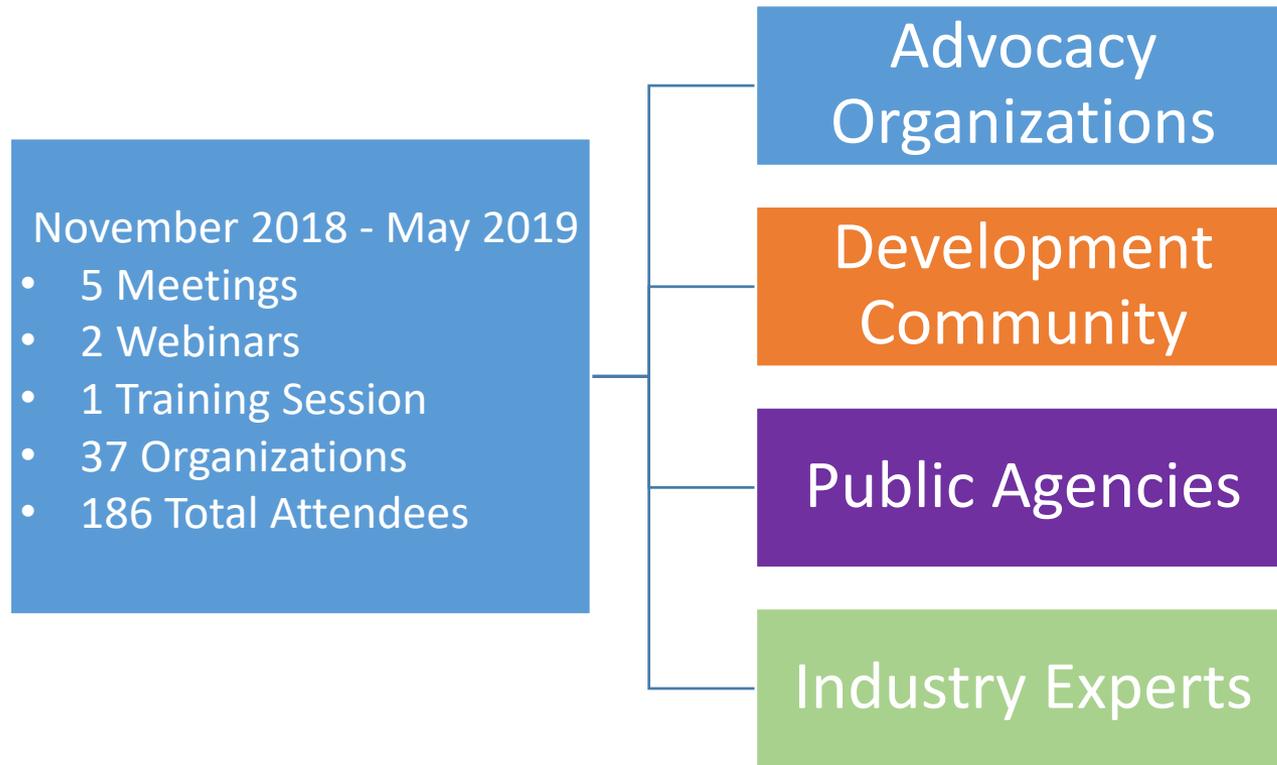
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*“Economic Vibrancy”*



City of Dallas

# Recent Activities – Consultation with Stakeholders



# Recent Activities – Consultation with Stakeholders



- Inclusive Communities Project
- Texas Tenants Union
- Legal Aid of Northwest Texas

8

# Recent Activities – Consultation with Stakeholders

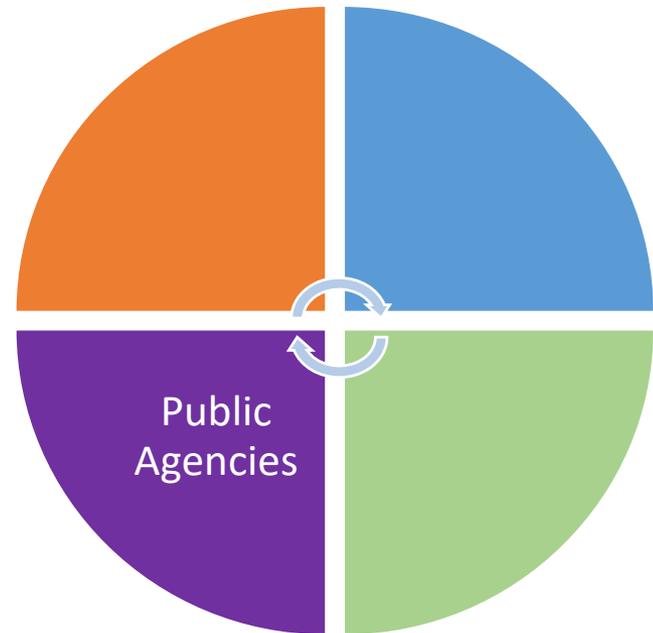


- Woodforest National Bank
- Texas Real Estate Council
- Coats-Rose PLC
- Dallas Afterschool
- Hensley Lamkin Rachel (HLR Inc.) Architecture and Planning
- Portfolio Resident Services
- Marque Real Estate Consultants (MREC)
- Simon Engineering
- Liberty Multifamily
- Merrill Lynch
- Alpha Barnes Real Estate Services
- Slagel Management
- Mt. Tabor MBC

9

# Recent Activities – Consultation with Stakeholders

- City of Dallas Housing Department
- City of Dallas Office of Welcoming Communities & Immigrant Affairs
- City of Dallas Equity and Human Rights Office
- City of Dallas Transportation Department
- Dallas Housing Authority
- Dallas Housing Finance Corporation
- TDHCA



10

# Recent Activities – Consultation with Stakeholders

- City Wide CDC
- Rebuilding Together
- Dominion Acquisition
- South Fair CDC
- Builders of Hope CDC
- Dallas Habitat
- Inner-City CDC(ICDC)
- East Dallas Community Organization
- Southern Dallas Progress CDC
- Brompton CHDC
- Atlantic Housing
- City Build / Bonton
- Camden Homes
- Matthew Southwest (MSW)



11

# Areas of Concern

- Timing
  - Feedback from stakeholders and applicants was that the timing of the application process did not align to the TDHCA calendar and as a result developers could not meet the TDHCA deadlines.
- Criteria
  - Feedback from stakeholders and applicants was that the criteria disadvantaged certain types of projects and was not clear enough to allow developers to self-score.
- Fair Housing
  - There was no specific fair housing requirement. While the review to assess if projects affirmatively further fair housing is a city-wide requirement that needs to be broadly applicable, there were specific opportunities that were seen to promote opportunity within the policy itself.

12

# Recommendations Overview

1. Timing
2. Criteria
  - Threshold
  - Priorities
  - Scoring
3. Fair Housing

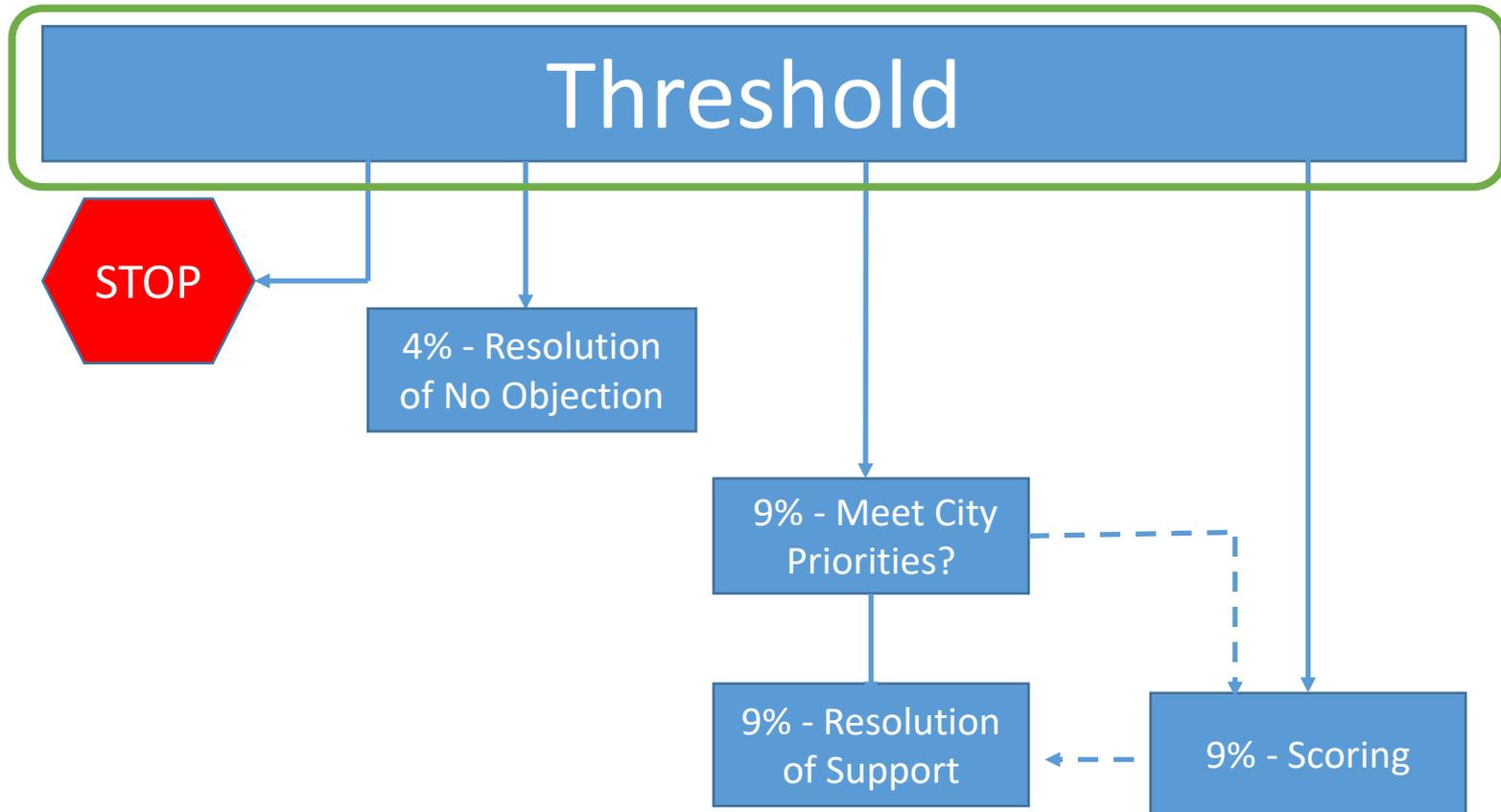
# Recommendation #1 –Timing

- Build a calendar that offers flexibility for proposal reviews.
- Dates should be published at the beginning of the year.
- Dates should coincide with TDHCA calendar.
- Developers will be encouraged to meet with staff early in the project planning process to identify potential disqualifying factors.

Type	Application deadline	City Council Consideration
4% and 9%	January 11, 2019	February
4%	April 12, 2019	May
4%	July 12, 2019	August
4%	October 11, 2019	November

14

# Recommendation #2 – Criteria (Threshold)



15

## Recommendation #2 –Criteria (Threshold)

- Establish a baseline for all proposals considered for a resolution.
- Offer clear factors to guide the development of proposals.
- Distinguish roles and responsibilities between staff and City Council.



# Threshold Criteria

## Requirement

1. Submission of a complete application.
2. Be an eligible applicant pursuant to TDHCA standards and City standards.
3. Site control (e.g. purchase option).
4. If not currently zoned for the intended use, the applicant must have completed a formal consultation with City Planning staff outlining the process and requirements for rezoning the site.
5. The Development must appear to meet TDHCA minimum site and development requirements and TDHCA underwriting standards.
6. The Development must contribute to the City's obligations to affirmatively further fair housing.
7. The Proposer must notify existing tenants living at the Development Site at least 45 days prior to submitting the proposal.
8. For any development that is occupied by existing tenants that is not otherwise subject to the Uniform Relocation Act (URA), the development proposal must include a City-approved relocation plan that:
  - o Minimizes permanent displacement from the project.
  - o Among other items, provides reasonable notice to affected tenants prior to any temporary relocation and covers all reasonable out of pocket costs incurred by tenants as a result of moving from one unit to another within the project or temporarily vacating their units to allow rehabilitation work to proceed.

17



# Threshold Criteria (continued)

## Requirement

9. For any development involving rehabilitation or adaptive reuse the Proposer must submit a Plan and Cost Review.

10. For any project located in a census tract with a poverty rate of 40% or higher, the development must achieve a minimum score under Resident Services element of the Scoring Factors below of:

- 17 points for elderly developments;
- 22 points for permanent supportive housing developments;
- 23 points for family developments; or

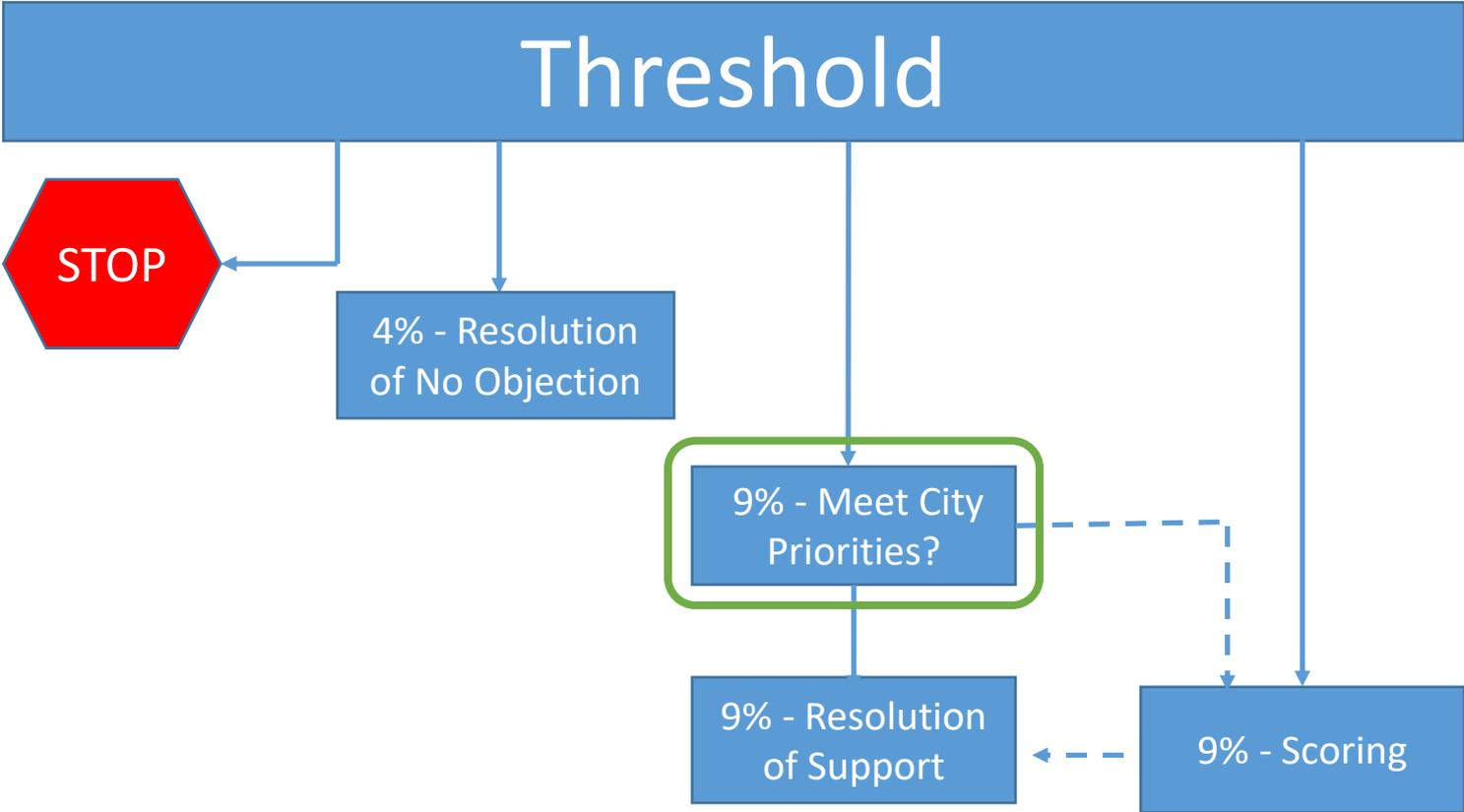
11. A Proposer is not eligible for any resolution if the Proposer i) has not met current obligations with the City as defined in Dallas City Code Section 2-36, as amended; ii) is currently in litigation with the City, either as a Defendant or Plaintiff; or iii) within the last 10 years has been found liable of violating Chapter 20A (Fair Housing) or Chapter 46 (Human Rights and Sexual Orientation).

12. The proposed scope of work must be informed by a capital needs assessment (CNA), prepared by a qualified third-party professional that is independent from the project's architect or engineer, builder/general contractor, or other member of the development team.

- o All major systems including roof, foundation, electrical, HVAC, and plumbing;
- o Interior and exterior windows and doors;
- o The interiors of all units including the kitchen and bathroom and all major appliances;
- o The exterior of the Development, including balconies, walkways, railings, and stairs;
- o Communal facilities such as community rooms, fitness centers, business centers, etc.; and
- o Security features including gates and security cameras.
- o Accessibility

18

# Recommendation #2 – Criteria (Priorities)



# Priority Criteria

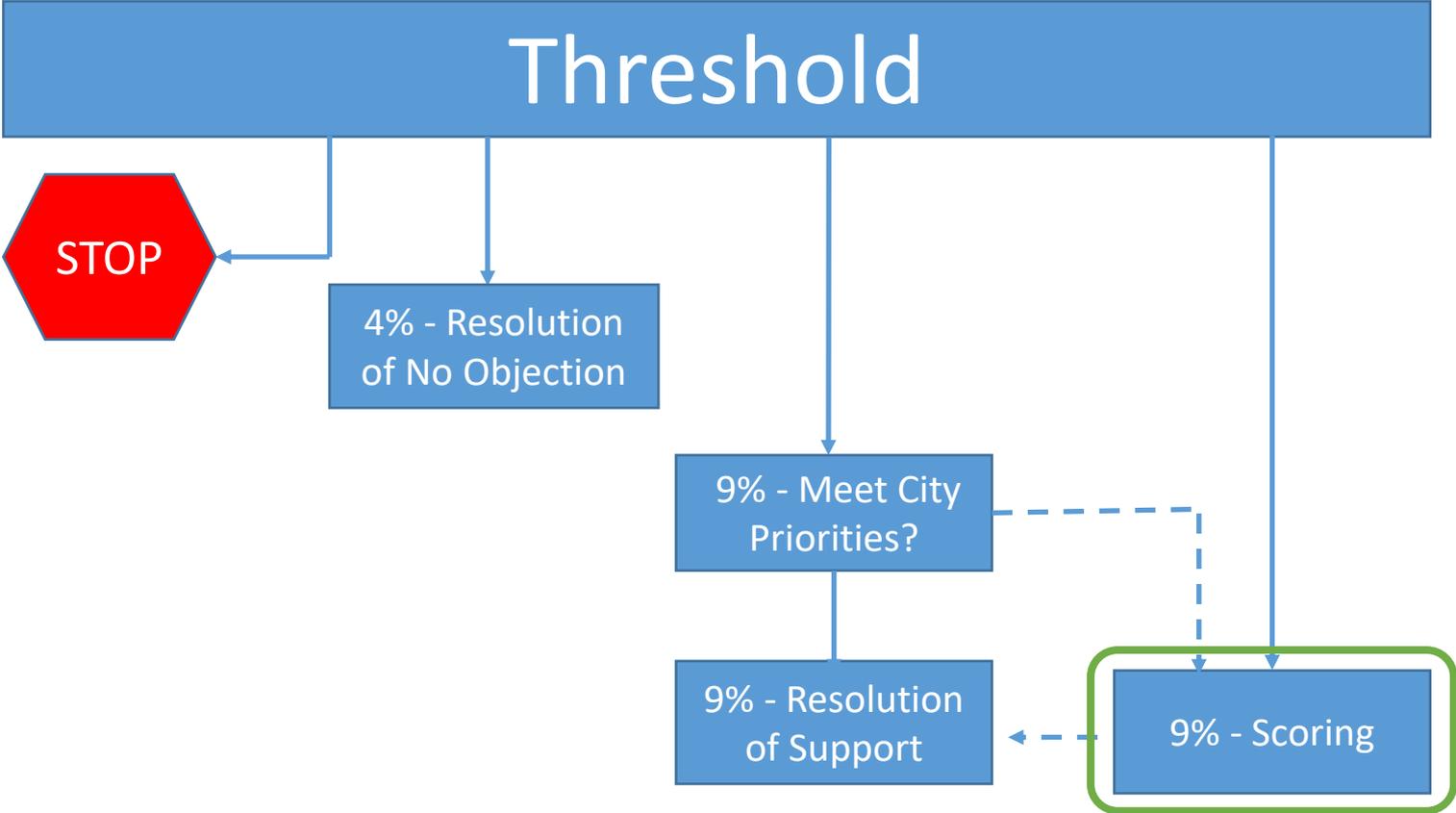
## Requirement

1. Proposal has been selected within the past three years to receive City funding.
2. Proposal includes participation by the Dallas Housing Finance Corporation of City of Dallas Public Facilities Corporation (if created).
3. Proposal involves the redevelopment of public housing owned by the Dallas Housing Authority under the Choice Neighborhoods, Rental Assistance Demonstration, HOPE VI, or other similar HUD programs that may be created.
4. Development proposal is located in a census tract with a poverty rate below 20%.
5. The development proposal is within any area designated as a Redevelopment Reinvestment Strategy Area (RSA) or a Stabilization RSA.
6. Projects with at least 50 units for which the owner will enter into an MOU with the lead entity of the Continuum of Care by which the project will prioritize at least 20% of units for tenants referred from the Continuum of Care Housing Priority List.

20



# Recommendation #2 – Criteria (Scoring)



# Scoring Criteria

To qualify for consideration for a Resolution of Support, projects that do not meet one of six City priorities would have to score 50 out of a possible 75 points.



# Scoring Criteria

Requirement	Points
1. Mixed Income Projects	20 Maximum
2. Qualified Nonprofit or Historically Underutilized Business on Development Team	5 Total
3. Proximity of Amenities to Development Site (High Frequency Transit, Public Park, Full Scale Grocery Store, etc.)	25 Maximum
4. Resident Services Offered on Development Site (Transportation, Children and Adult, Health, and Community)	25 Maximum
	<b>Maximum Total 75</b>

# Fair Housing

- Prioritize projects in low poverty areas.
- Require projects in high-poverty areas to demonstrate significant commitment to services/amenities.
- Create a priority for projects providing access to those experiencing homelessness.



# Fiscal Impact

- A Resolution of Support for a 9% tax credit project requires a \$500 commitment from the City.



# Next Steps

- Council Briefing June 5, 2019
- Council Voting Agenda June 12, 2019



# **Proposed Amendment to the City of Dallas Comprehensive Housing Policy to Adopt a New Low Income Housing Tax Credit Policy**

**Economic Development &  
Housing Committee  
May 20, 2019**

**David Noguera, Director  
Maureen Milligan, Assistant Director  
Dionne Roberts, Consultant  
Housing and Neighborhood Revitalization  
City of Dallas**



# Memorandum



CITY OF DALLAS

DATE May 17, 2019

TO The Honorable 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, Kevin Felder,  
Omar Narvaez

SUBJECT **Abandonment Procedures and Fees**

On Monday, May 20, 2019, the Committee will be briefed on the Abandonment Procedures and Fees. The briefing material is attached for your review.

Please feel free to contact myself or Kris Sweckard, Director of the Department of Sustainable Development and Construction, if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Michael Mendoza', written in a cursive style.

Michael Mendoza  
Chief of Economic Development and Neighborhood Services

#### Attachment

c: Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizar Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# Abandonment Procedures and Fees

**Economic Development  
& Housing Committee**

**May 20, 2019**

**Kris Sweckard, Director  
Sustainable Development &  
Construction**

**Ashley Eubanks, Assistant Director  
Sustainable Development &  
Construction**



# Presentation Overview

- Discuss current regulations and fees
- Review specific concerns
- Review possible issues
- Review Alternative
- Next Steps

# Abandonment Types

- Most common types of abandonment requests:
  - Street, Alley or Storm Water Management Area
  - Utility Easement (utility, water, wastewater, etc.), Drainage Easement or Other Easement Areas (fire lane, etc.)

# Current Process

- Applicant submits written request and initial fees
  - \$4,250 application fee, non-refundable
  - \$50 minimum recording fee
  - Additional appraisal fees, if required
- Request routed to departments and outside agencies for review
- Notices to property owners within 300 ft (if applicable)
- Market value of property is determined

# Determination of Market Value

- If estimated abandonment fee is less than \$20K, DCAD value can be used as the market value
- If estimated abandonment fee is \$20K or more, an independent appraisal is used to determine market value
  - Applicant submits \$2,500 minimum deposit for appraisal fee
  - If appraisal bid exceeds \$2,500, applicant pays difference; if less, applicant refunded difference
- The abandonment fee is the greater of:
  - The market value or \$5,400

# Allowable Credits and Discounts

- If City needs additional property owned by an applicant in the area of the proposed abandonment, a square foot for square foot credit may be given against the area to be abandoned
- If area dedicated to City exceeds the area abandoned, the applicant will only be charged a processing fee of \$5,400
- If easements are retained by the City, appraiser may discount up to 15 percent

# Fees Charged for Other Abandonments

- Utility, drainage or other easements:
  - If originally dedicated to City at no cost:
    - 0-5 Easements: processing fee of \$5,400
    - Additional fee of \$1,000 for each easement after the 5<sup>th</sup> one

# Specific Concern

- Are abandonment fee amounts appropriate in residentially zoned areas?
- Can fees be reduced for abutting residential owners
- Adjacent owners desire to improve and/or utilize parkway area for private purposes

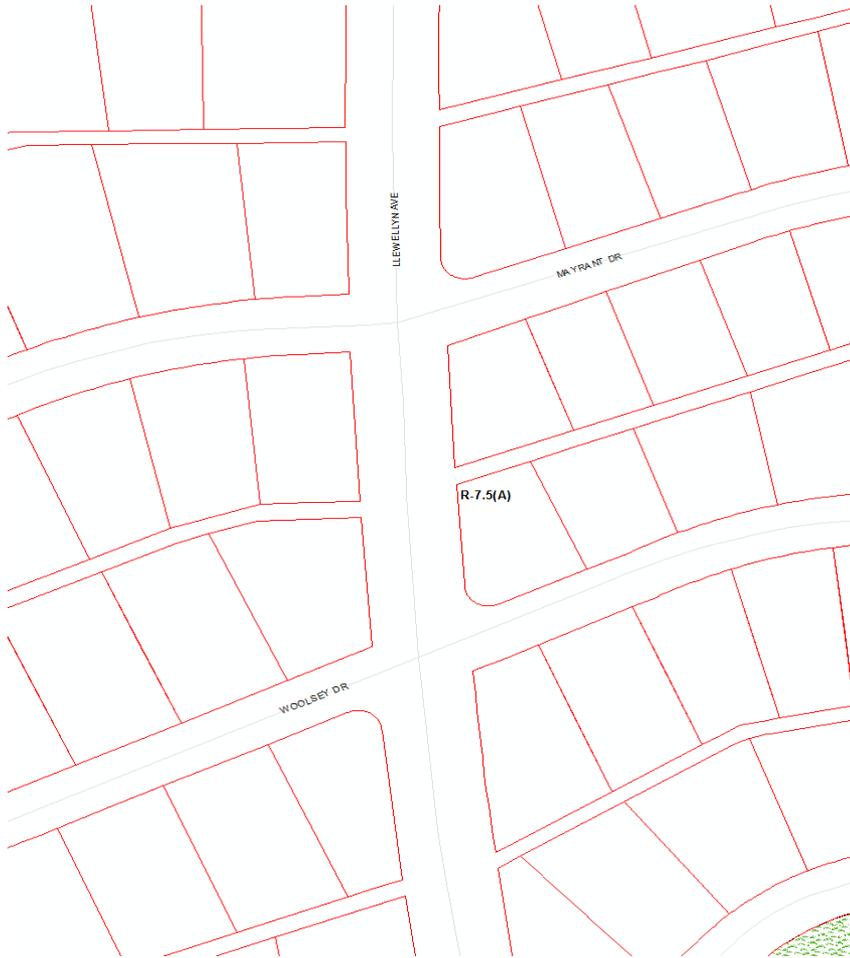
# Issues

- State law requires City to receive fair market value for property transactions
- Texas Constitution prohibits gifts of public funds exclusively for private benefit
- Possible equal protection issues in treating commercial and residential owners differently
- Revenue impact to general fund

# Issues (Cont'd)

- Limits the City's future options and flexibility (bike lanes, trails, sidewalks)
- Individual abandonments may result in “saw-toothing” of right-of-way property lines
- Potential for setback issues and neighborhood disputes
- Creation of inconsistent block faces
- Potential change in street character

# Example



# Example



# Alternative

- Credit 85 percent of \$4250 application fee for residential abandonments if:
  - Request is in an single family or duplex zoned area adjacent to a residential dwelling unit
  - Minimum ROW required by Thoroughfare Plan or Code is maintained
  - Standard review by utilities and City departments clears with no objections
- Existing procedures provide for a 300 ft. notification to adjacent property owners

# Next Steps

- If changes are requested by the Committee, staff would work with the City Attorney's Office on amendments to Chapter 2-26.2 "Abandonment of Public Rights-of-Way" for future Council consideration.

# Abandonment Procedures and Fees

**Economic Development  
& Housing Committee**

**May 20, 2019**

**Kris Sweckard, Director  
Sustainable Development &  
Construction**

**Ashley Eubanks, Assistant Director  
Sustainable Development &  
Construction**



# Memorandum



CITY OF DALLAS

DATE May 17, 2019

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

SUBJECT **Dallas Love Field General Aviation Development & Dallas Executive Airport  
General Aviation and Commercial Development**

On Monday, May 20, 2019, the Committee will be briefed on the Dallas Love Field General Aviation Development & Dallas Executive Airport General Aviation and Commercial Development. The briefing material is attached for your review.

Please feel free to contact Mark Duebner, Director of the Department of Aviation at 214-671-1481, if you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kimberly Bizer Tolbert', written over a large, stylized blue scribble.

Kimberly Bizer Tolbert  
Chief of Staff to the City Manager

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swan, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Michael Mendoza, Chief of Economic Development &  
Neighborhood Services

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# **Dallas Love Field General Aviation Development & Dallas Executive Airport General Aviation And Commercial Development**

**Economic Development &  
Housing**

**May 20, 2019**

**Mark Duebner**

**Director**

**Department of Aviation**



**City of Dallas**

# Background

- Council requested future aviation development opportunities be evaluated through an open Request for Proposal(RFP) process
- The Aviation Department (AVI) had received unsolicited proposals for land development at both Dallas Love Field (DAL) and Dallas Executive Airport (RBD)
- In order to maintain transparency and open competition, a Request for Competitive Sealed Proposals (RFCSP) was developed

# RFCSP Development

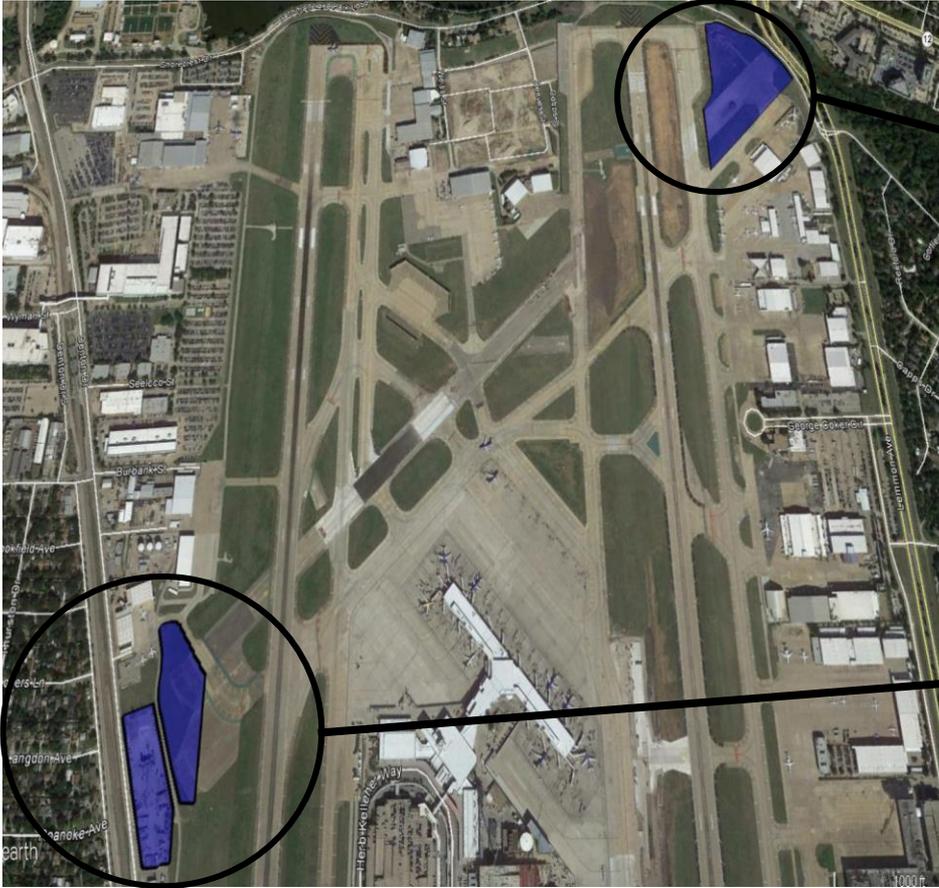
- AVI surveyed more than a dozen comparable regional airports about their land development processes and reviewed sample land development RFPs from other airports
- May 2018 – AVI began working with the City’s Office of Procurement Services (OPS) in formulating a draft RFP to address the specific needs of both DAL & RBD:
  - General Aviation development of two sites at DAL consisting of approx. 14 acres at the north end of decommissioned runway 18/36, and approx. 10 acres at the south end of decommissioned runway 18/36
  - General Aviation and Commercial development of 480+/- acres of land at RBD

3

# RFCSP Scope - DAL

- Two parcels at Dallas Love Field for General Aviation development
- North and south end of decommissioned Runway 18/36
- Respondents were allowed to propose a development plan for either one or both parcels

# RFCSP Scope - DAL



# RFCSP Scope - RBD

- Various parcels at Dallas Executive for General Aviation & Commercial development
- Due to the amount of available land (480+/- acres), respondents were allowed to propose on any available parcels as they desired

# RFCSP Scope - RBD



# Timeline

- September 2018 – A Request For Competitive Sealed Proposals (RFCSP) was advertised by OPS in the Dallas Morning News, to City vendors through AMS Advantage, and to a list of vendors with whom AVI had previously been in discussions about land development at both airports
- November 2018 – The RFCSP response period closed
  - Received seven total responses from six different respondents
- December 2018 – Five of the six respondents presented their proposals to the evaluation committee consisting of City staff from various departments
- December 2018 – OPS sent follow-up questions to the respondents seeking additional information to help with evaluating the proposals

# Timeline Cont'd

- January 2019 – OPS received the responses to the follow up questions and shared the information with the Evaluation Committee
- February 2019 – The Evaluation Committee submitted its final evaluation scores to OPS
- April 2019 – OPS sent its recommendations of the successful proposers to AVI
- April 2019 – AVI contacted the successful proposers at DAL; AVI is awaiting further financial information from the RBD respondents and the analysis from an outside third party contractor regarding the financials for the RBD proposals

9

# RFCSP Responses

## DAL

- Three respondents with a total of four proposals
- Two proposals for the north parcel and two proposals for the south parcel
- One respondent proposed on both parcels

## RBD

- Three respondents with a total of three proposals for different parcels
- One of the RBD respondents did not respond to the OPS request for additional information, deeming them non-responsive
- Both RBD respondents have requested financial assistance from the City for their development projects

10

# RFCSP Responses

Respondent	DAL North Parcel	DAL South Parcel	RBD General Aviation	RBD Commercial	City Funds Requested
1	x				N
2		x			N
3	x	x			N
4				x	Y
5				x	Y
6*			x		N

\* Respondent deemed non-responsive

# Next Steps - DAL

- Since the proposals for DAL do not seek any City subsidy and will pay prevailing rates set by City Council, no additional underwriting analysis is necessary
- City staff is currently negotiating the terms of the leases with the two successful respondents at DAL
- Will seek City Council authorization for the proposed DAL leases in August 2019

# Next Steps - RBD

- Since the respondents at Dallas Executive are seeking City subsidy, both proposals will need to have financial information further evaluated
- City contracted an outside third party entity to review and provide a financial underwriting of the two RBD proposals seeking City funding
- AVI plans to seek City Council authorization for the RBD leases upon receipt of the financial conclusions, final evaluation, and negotiation of lease terms - 3Q 2019(est)

# Dallas Love Field General Aviation Development & Dallas Executive Airport General Aviation And Commercial Development

Economic Development &  
Housing

May 20, 2019

Mark Duebner

Director

Department of Aviation



# City of Dallas

# Memorandum



CITY OF DALLAS

DATE May 17, 2019

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

SUBJECT **National League of Cities: Service Line Warranty Program Overview**

On Monday, May 20, 2019, the Committee will be briefed on the National League of Cities: Service Line Warranty Program Overview. The briefing material is attached for your review.

Please feel free to contact myself or Brian Davis, Senior Director of Business Development for Utility Service Partners, if you have any questions or need additional information.

A handwritten signature in black ink, appearing to read 'Michael Mendoza'.

Michael Mendoza  
Assistant City Manager

c: Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors



## Service Line Warranty Program Overview to (NLC Service Line Program)



NLC Service Line  
Warranty Program

# NLC Mission and Core Principles

- The National League of Cities is dedicated to **helping city leaders build better communities**.
- **Cities Lead:** When the nation's cities and towns are stronger, all of America is stronger.
- **NLC stands for local control** and an effective federal-city partnership.
- **NLC is a member-driven organization** and strives to be unified, inclusive, focused, valuable, influential, visible, relationship-driven, forward-leaning, and financially solid.



# Past Participation

- NLC Program offered to City of Dallas residents in 2014
- Council not properly educated on details of program
- Some council members caught off-guard when letter was mailed and some constituents called to ask questions
- Council questioned the use of a private logo on City letterhead
- Council cancelled program after one mailing



# Result of 2014 Participation

- **15,000 Dallas households enrolled** after one mailing in 2014
- To date, the NLC Service Line Program has spent **\$1.8 million dollars on Dallas homeowners** for both replacements and repairs to lateral service lines
- NLC Service Line Program has paid **Dallas-based plumbers \$1.8 million** to repair and
- replace service lines within the City of Dallas in past four years
- The NLC Service Line Program has also provided a free repair/replacement for Ms. Daisy
- Hicks. (Play Video)



# Why Participate Again?

## *Financial consideration for Dallas*

- Program will provide an upfront payment of \$250,000 to be donated to organizations of City's choosing
- Program will provide approximately \$200,000 to \$300,000 per year in ongoing revenue based on household participation
- A "Cares Fund" will be set aside for disadvantaged homeowners in Dallas who experience service line issues

## *Updated program statistics*

- Over 600 cities and utilities participating in U.S. and Canada
- Over 1.2 million repairs worth \$394 million in past 3 years
- NLC Service Line Program completes a job every 75 seconds for our customers

# Examples of participating cities

<b>Tucson, AZ</b>	<b>San Diego, CA</b>	<b>Phoenix, AZ</b>
<b>Tulsa, OK</b>	<b>Las Vegas, NV</b>	<b>Arlington, TX</b>
<b>Atlanta, GA</b>	<b>Mesa, AZ</b>	<b>Harrisburg, PA</b>
<b>Kansas City, MO</b>	<b>Dayton, OH</b>	<b>Odessa, TX</b>
<b>Madison, WI</b>	<b>North Las Vegas, NV</b>	<b>Fort Lauderdale, FL</b>
<b>Lawton, OK</b>	<b>Englewood, CO</b>	<b>North Chicago, IL</b>
<b>Baltimore, MD</b>	<b>Stillwater, OK</b>	<b>Santa Fe, NM</b>



# Challenges for homeowners

## Lateral lines are subjected to the same elements as public lines

- ground shifting, fluctuating temperatures, tree root penetration, corrosion and more

## Out of sight, out of mind

- water and sewer lines located outside, usually underground

## Failed lines waste thousands of gallons of water

- and present an environmental hazard

## Common homeowner misconceptions

- the City is responsible for maintenance of the water and sewer lines on their property
- repairs are covered by their homeowner's policy

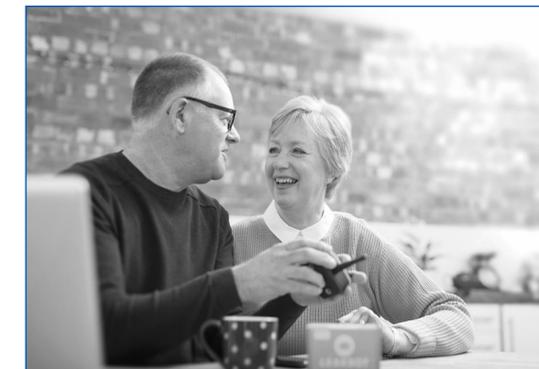


# Homeowners are unprepared and expect solutions from the municipality/utility

**78%** of homeowners surveyed believe the utility provider should educate them on repairs and preventative measures

**59%** of homeowners surveyed have had a home repair emergency in the past year

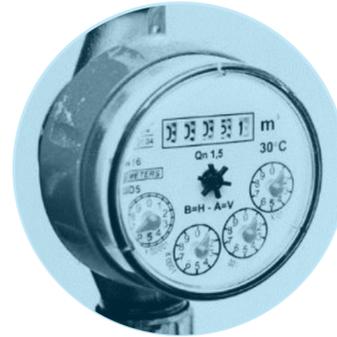
**40%** 4 out of 10 Americans can't afford a \$400 emergency expense (and would have to sell something or take out a loan to cover it).\*



# Our service and what it covers



SEWER LATERAL COVERAGE



WATER LINE COVERAGE



IN-HOME PLUMBING  
COVERAGE

- Exterior water and sewer – up to \$8,500 coverage per incident for repair/replacement of leaking, clogged or broken lines from the point of utility connection to the home exterior
- In-home plumbing - up to \$3,000 per incident on all water, sewer, and drain lines inside the home after the point of entry
- No annual or lifetime limits, deductibles, service fees, forms or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local area contractors

# Core features that deliver peace of mind



Toll-free emergency number members can call 24 hours a day, 365 days a year



Locally-based, fully-licensed, qualified and vetted contractors dispatched to the customer's emergency



No deductibles, no call-out fees or forms to fill in at the completion of the job



Quality control measures to ensure exceptional customer experience



Guaranteed repairs



No pre-inspection before joining

# Solution for municipalities and residents

- Offers optional low-cost protection against potentially expensive water and sewer line repairs
- Educates residents about their responsibility for these lines
- Turnkey program – provides marketing, billing, claims, customer service
- No cost to cities to participate, revenue share available



# Revenue share and other benefits to the City

- Non-tax revenue can be estimated at \$0.50 per product, per month
- Cities utilize funds for important initiatives including:
  - ✓ Infrastructure improvements
  - ✓ Low-income assistance/community charities
  - ✓ Partially offset rate increases
- Saves money for residents that can be re-invested in the local economy
- Reduces calls to the city
- Timely repairs reduce water loss from line breaks



# Partner Testimonials

*“The City has benefited because it’s a good service we offer people. I signed up myself.”*  
John Sharp, Former Mayor, City of Kansas City, MO

*“This partnership has exceeded all expectations. They provided the City with a dedicated team that has been quick to respond to all of our questions and has gone above and beyond regarding our marketing materials. They also executed an exceptional training course on the program to our customer service staff.”*  
Shonte Eldridge, Chief of Special Projects, City of Baltimore, MD

*“The Service Line Warranty Program helps both Phoenix residents and the city government. Revenue from the program goes to core city services like police, fire, parks, libraries and senior centers.”*  
Jon Brodskey, Program Manager, Fit Phoenix & former Public Information Officer

*“After four years of program participation (and over \$1 million spent by the NLC Program on Atlanta homeowner repairs), we continue to receive compliments from our constituents on our sharing this opportunity with them. Many have signed up and for those who have had to use the service; we have not received any complaints.”*  
Felicia Moore, Council President, City of Atlanta, GA



For more information contact...

Brian Davis

Senior Director, Business Development

(214) 476-3430

[BDavis@UtilitySP.net](mailto:BDavis@UtilitySP.net)

# Memorandum



CITY OF DALLAS

DATE May 17, 2019

TO The Honorable 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, Kevin Felder, Omar Narvaez

SUBJECT **Acceptance of HUD Lead Hazard Control and Healthy Homes Grant in the amount of \$2,300,000.00 for the Home Improvement and Preservation Program**

## Summary

The U.S. Department of Housing and Urban Development (HUD) recently awarded the City of Dallas a competitive HUD grant related to: (1) identification and control of lead-based paint hazards in eligible housing units and (2) identification and repair of conditions that exacerbate asthma in eligible housing units. The Department of Housing and Neighborhood Revitalization is seeking committee and council approval to accept this grant and to begin providing services pursuant to the grant.

## Background

HUD developed the Lead-Based Paint Hazard Reduction (LHR) grant program to identify and control lead-based paint hazards in eligible rental or owner-occupied housing units. HUD also developed the Healthy Homes Supplemental grant program (HHS) to protect children and their families from housing-related health and safety hazards including: mold, lead, allergens, asthma, carbon monoxide, home safety, pesticides, and radon.

The City of Dallas applied for funding pursuant to the LHR and HHS grant programs and was awarded \$2,300,000.00 to support lead-based paint identification and remediation activities for eligible housing units. The 42-month funding award is comprised of the LHR grant in the amount of \$2,000,000.00, and the HHS grant in the amount of \$300,000.00.

The HUD grant funds will be used to perform eligible activities at housing units constructed prior to 1978 where at least one child under six years of age lives or spends a substantial amount of time visiting and where assistance under the City's Home Improvement and Repair Program (HIPP) or New Construction and Substantial Rehabilitation Program (NCSRP) is also being provided. The grant funds will also be used to hire a Manager III (Lead-Based Paint Hazard Control Program Manager) and a Grant Compliance Specialist (Lead-Based Paint Hazard Control Grant Compliance Specialist).

## Fiscal Impact

The award requires a local match in an amount not to exceed \$735,000, which the City intends to fund from eligible Community Development Block Grant (CDBG) funds and

DATE May 17, 2019  
SUBJECT Acceptance of HUD Lead Hazard Control and Healthy Homes Grant in the amount of \$2,300,000.00 for the Home Improvement and Preservation Program

other eligible Housing funds allocated for home repairs, new development or substantial rehabilitation activities.

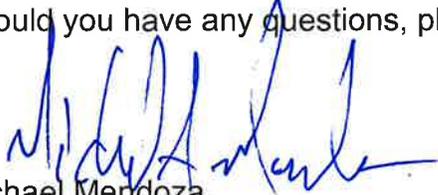
### **Departments/Committee Coordination**

Administering lead hazard testing will require coordination amongst the Office of Environmental Quality, Department of Code Compliance and Procurement Services.

### **Recommendation**

Subject to committee approval, this item will be placed on the May 22 council agenda for consideration and approval.

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



Michael Mendoza,  
Chief of Economic Development & Neighborhood Services

c: Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
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