

**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

2019 MAY 30 PM 5:12

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, June 3, 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 20, 2019 Meeting Minutes

**BRIEFINGS**

2. Proposed Neighborhood Empowerment Zone #10  
Courtney Pogue, Director  
Office of Economic Development
3. Workforce Readiness Update  
Courtney Pogue, Director  
Office of Economic Development
4. New Markets Tax Credit Transaction:  
Girl Scouts of Northeast Texas STEM Center of  
Excellence  
Courtney Pogue, Director  
Office of Economic Development

**MEMO**

- A. Proposed Amendment to the Loan Agreement with Texas Heavenly Homes, Ltd. for the Acquisition and Development of Single-Family Homes in the Bottom Neighborhood to Extend Completion Deadlines, Incorporate Additional Requirements as Consideration and to Include Performance Thresholds
- B. City's Plan of Action to meet the U.S. Department of Housing and Urban Development Community Development Block Grant Funds Expenditure Deadline

**UPCOMING AGENDA ITEMS**

June 12, 2019

- C. Authorize (1) a development agreement with the Dallas County Heritage Society Inc. in an amount not to exceed \$650,000.00 payable from existing and/or future Cedars TIF District Funds to support restoration of the Park Avenue House and Rall House to be used as co-working office space at the Dallas Heritage Village located at 1515 S. Harwood Street and (2) an increase in appropriations in an amount not to exceed \$650,000 in the Cedars TIF District - Not to exceed \$650,000.00 - Financing: Cedars Tax Increment Finance District Funds (subject to appropriations from existing and future tax increment)
- D. Authorize the appropriation and use of 2017 Bond Funds (Proposition I) in an amount not to exceed \$250,000.000 for design, construction, and installation of a new Hawk traffic signal on Singleton Boulevard between McPherson Street and Gulden Lane - Not to exceed \$250,000.00 - Financing: 2017 Bond Funds

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

- E. Authorize the extension and amendment of the Public/Private Partnership Program Guidelines and Criteria for the period of July 1, 2019 through December 31, 2019 – Financing: No cost consideration to the City
- F. South Dallas/Fair Park Opportunity Fund (District 7) Human Development Grants to CitySquare and St. Philips
- G. Authorize a development agreement with DD Dunhill Hotel, LLC ("Developer") and/or its affiliates in an amount not to exceed \$3,622,885.00 payable from future Design District TIF District Funds in consideration of the Virgin Hotel Infrastructure Project ("Project") on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District) - Not to exceed \$3,622,885.00 - Financing: Design District TIF District Funds (subject to future appropriations from tax increments)
- H. Authorize the first amendment to Resolution No.19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: (1) amend the development loan amount with 2400 Bryan Street, LLC or an affiliate ("2400 Bryan") to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership funds for construction, (2) authorize a development loan agreement with the City of Dallas Housing Finance Corporation ("DHFC"), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors' approval, in amount not to exceed \$7,026,943.00 in Community Development Block Grant ("CDBG") funds, (3) allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, (4) allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No.19-0360 to be reimbursed the remaining loan and grant amounts and (5) allow the City to maintain no less than 3rd lien position – No cost consideration to the City
- I. Authorize a first amendment to a development loan and conditional grant agreement with Palladium Redbird, Ltd. or an affiliate ("Palladium"), authorized by Resolution No.19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: (1) include Dallas Housing Finance Corporation ("DHFC") as a co-borrower to the agreement, subject to DHFC Board of Directors' approval, (2) amend the amount allocated to each funding source, without changing the total loan amount of \$6,271,576.00, to allow for up to \$1,271,576.00 in Community Development Block Grant ("CDBG") funds and up to \$5,000,000.00 in HOME Investment Partnership Program ("HOME") funds, (3) allow the closing of the loan and grant to occur prior to closing on the equity and all other financing for the development, and (4) allow Palladium and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts – No cost consideration to the City
- J. Authorize a first amendment to a development loan and conditional grant agreement with TX Casa View 2018, Ltd. or an affiliate ("TX Casa"), authorized by Resolution No.19-0387, previously approved on February 27, 2019, for a mixed-income senior multifamily residential development to be located at 2649 Centerville Road to: (1) include Dallas Housing Finance Corporation ("DHFC") as a co-borrower to the agreement, subject to DHFC Board of Directors' approval, (2) amend the amount allocated to each funding source, without changing the total loan amount of \$3,801,000.00, to allow for up to \$1,620,154.00 in Community Development Block Grant ("CDBG") funds and up to \$2,180,846.00 in HOME Investment Partnership Program ("HOME") funds, (3) allow the closing of the loan and grant to occur prior to closing on the equity and all other financing for the development, and (4) allow TX Casa and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts – No cost consideration to the City

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 20, 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 20, 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></p> <p><b><u>Committee Members Absent:</u></b></p>	<p><b>Staff Present:</b>                  Michael Mendoza, Chief of Economic Development and Housing Services                  David Noguera, Director of Housing and Neighborhood Revitalization                  Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization                  Dionne Roberts, President and Chief Executive Officer of Training and Development Associates (TDA)                  Kris Sweckard, Director of Sustainable Development &amp; Construction                  Mark Duebner, Director of Aviation                  Courtney Pogue, Director-Office of Economic Development                  Kevin Spath, Assistant Director-Office of Economic Development</p> <p><b><u>Other Attendees</u></b>                  Brian Davis, Senior Director of Business Development</p>
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**AGENDA:**

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

1. **Approval of May 6, 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 Rickey D. Callahan	<b>Motion second by:</b> CM Casey Thomas, II
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

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

**2. Proposed amendment to the City of Dallas Comprehensive Housing Policy to adopt a New Low-Income Housing Tax Credit Policy**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 David Noguera, Director of Housing and Neighborhood Revitalization  
 Maureen Milligan, Assistant Director of Housing and Neighborhood Revitalization  
 Dionne Roberts, President and Chief Executive Officer of Training and Development Associates (TDA)

**Information Only: X**

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

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

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

**3. Abandonment Procedures and Fees**

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 Kris Sweckard, Director of Sustainable Development & Construction  
 Ashley Eubank, Assistant Director of Sustainable Development & Construction

**Information Only:**

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

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

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

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

Presenter(s): Michael Mendoza, Chief of Economic Development and Housing Services  
 Mark Duebner, Director of Aviation

**Information Only: X**

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

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

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

**5. NLC Service Line Warranty Program Overview**

Brian Davis, Senior Director of Business Development

**Information Only:**  X

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

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

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

**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)

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

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

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

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

**Meeting Adjourned:**  10:39 A.M.

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

# Memorandum



DATE May 31, 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 **Proposed Neighborhood Empowerment Zone #10 (NEZ #10)**

On Monday, June 3, 2019, the Committee will be briefed on the proposed Neighborhood Empowerment Zone #10. The briefing materials are attached for your review.

Please feel free to contact me if you have any questions or concerns.



Michael A. 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  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# Proposed Neighborhood Empowerment Zone #10

**Economic Development & Housing  
Committee  
June 3, 2019**

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



# Overview

- Definition of Neighborhood Empowerment Zone (NEZ)
- Purpose for Creation of NEZ
- Analysis of Area Under Consideration
- Proposed NEZ #10
- Staff Recommendation
- Next Steps



# Definition of Neighborhood Empowerment Zone (NEZ)

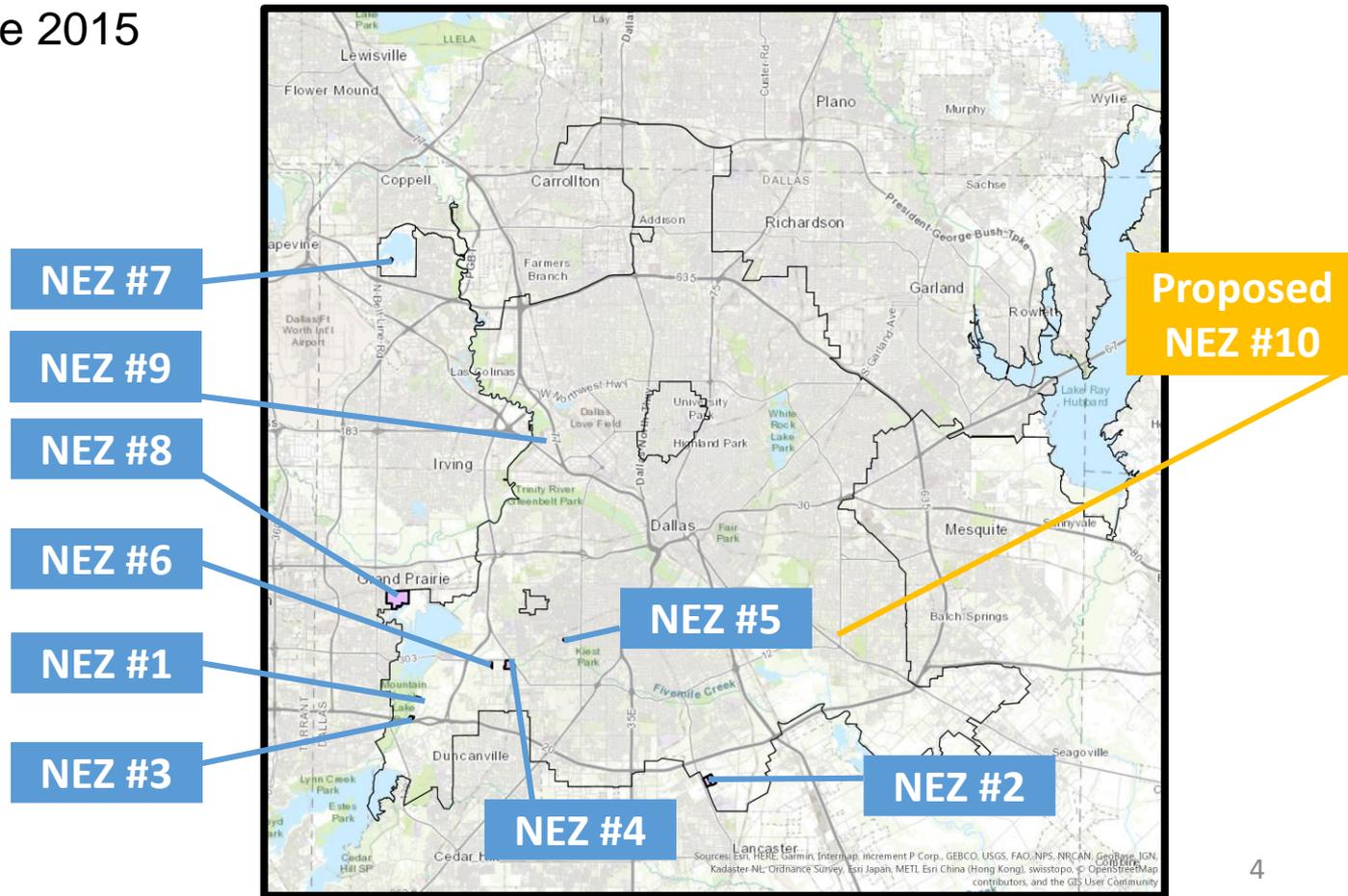
- Chapter 378 of the Texas Local Government Code provides for the creation of Neighborhood Empowerment Zones (NEZs)
- NEZs must promote *any* of the following:
  - An increase in economic development in the zone
  - An increase in the quality of social services, education, or public safety for residents of the zone
  - Creation and/or rehabilitation of affordable housing in the zone
- A municipality may create a NEZ by adopting a resolution that:
  - Describes boundaries of the zone
  - Determines that the zone promotes any of the items listed above
  - Finds that the creation of the zone benefits and is for the public purpose of increasing public health, safety and welfare of persons in the municipality
  - Finds that the zone satisfies requirements of Section 312.202 of the Tax Code (Property Redevelopment and Tax Abatement Act)



# Neighborhood Empowerment Zones (NEZs)

9 NEZs created since 2015

- 7 industrial
- 1 office
- 1 mixed uses



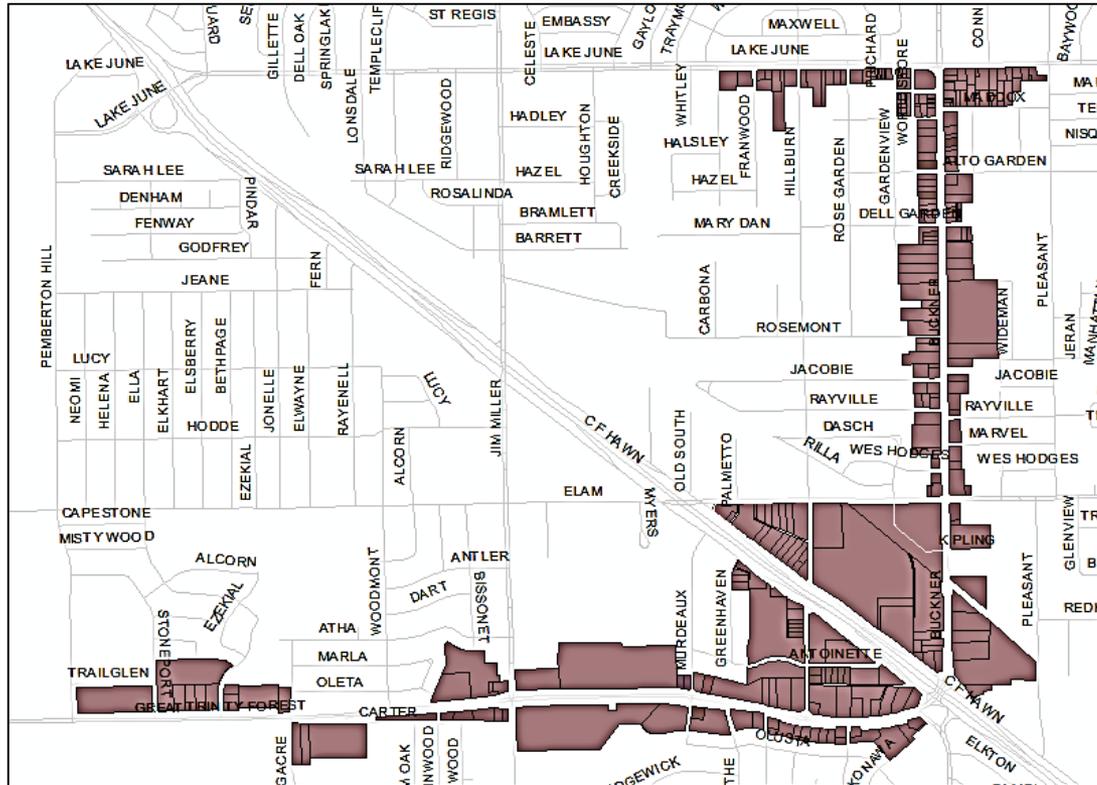
# Purpose for Creation of NEZ

- NEZ is a flexible tool to implement an economic development program for a particular area of the city
- Create pilot program to encourage increased economic development in the NEZ
  - Stimulate business and commercial activity
  - Retain and grow existing smaller businesses
  - Retain and create jobs
  - Increase occupancy of buildings
  - Encourage reinvestment in existing building stock
  - Incentivize workforce development/job training programs
- Uses excluded from consideration for incentives within the program for NEZ #10: single family residential uses, sexually oriented businesses, bars, liquor stores, pawn shops, truck stops, body piercing studios, tattoo studios, alternative financial establishments, massage establishments

5

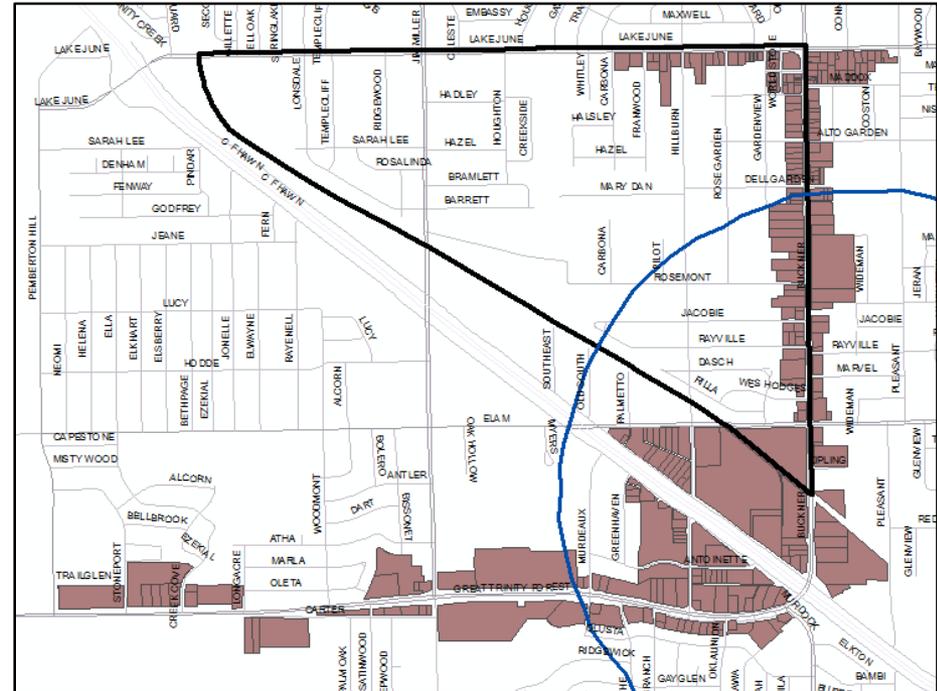
# Analysis of Area Under Consideration

- Lake June Road (Carbona Drive to Pleasant Drive)
- Buckner Boulevard (Lake June Road to U.S. 175)
- Great Trinity Forest Way (U.S. 175 to Pemberton Hill Road)



# Analysis of Area Under Consideration

- A portion of the proposed zone is in a Target Area under the City's Public/Private Partnership Program
- City Housing Policy Emerging Market Area (blue circle)
- A portion of the proposed zone is in a Qualified Opportunity Zone (black outline)
- Texas Enterprise Zone (State of Texas designation)
- Part of Pleasant Grove NOW initiative area
- Approximately 324 acres
- 290 DCAD real property accounts



Source: Dallas Central Appraisal District

# Analysis of Area Under Consideration

Assets/Opportunities for economic development:

- Buckner DART Station
- Buckner Station Study (guide for future catalyst development site)
- Eastfield College Pleasant Grove Campus
- Workforce Solutions Greater Dallas
- Proximity to Trinity River/amenities
- Pleasant Grove NOW Initiative
  - Seeks to create a long-overdue economic boost to the heart of Pleasant Grove and strengthen the community by:
    - Adding quality retail (particularly sit-down restaurants)
    - Rehabilitating older apartments
    - Growing smaller businesses

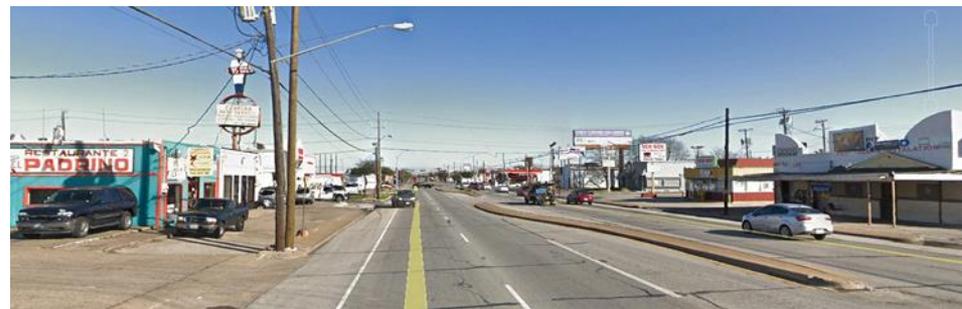
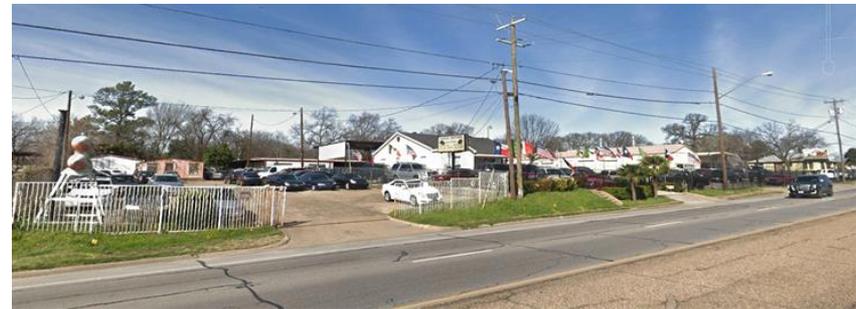
**PLEASANT  
GROVE  
NOW**



# Analysis of Area Under Consideration

Challenges to economic development:

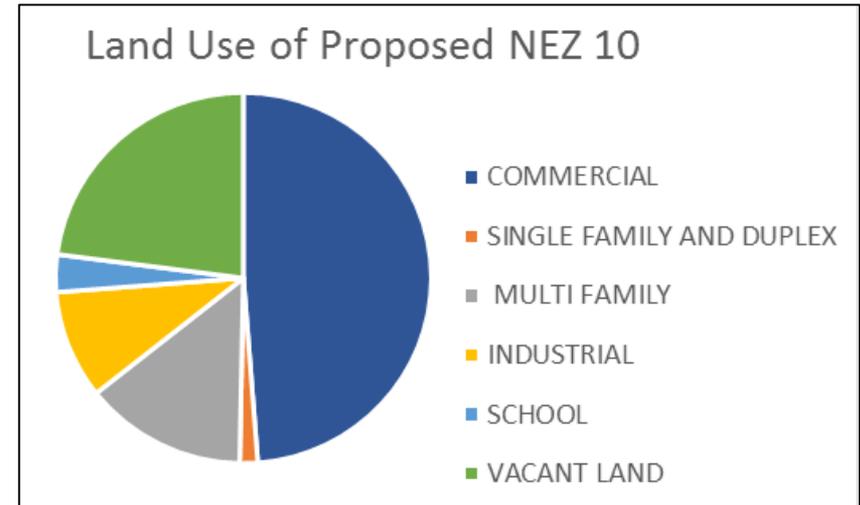
- Aging commercial corridor
- Small parcels
- Fragmented ownership
- Underutilized land use
- Auto-oriented low density development pattern
- Lack of amenities in the public realm
- Visual clutter
- Perception
- Relatively lower levels of market demand



# Analysis of Area Under Consideration

## Land Use

- Commercial: 158 acres
- Vacant land: 74 acres
- Single family residential: 5 acres
- Multi-family residential: 45 acres
- Industrial: 31 acres
- School: 11 acres



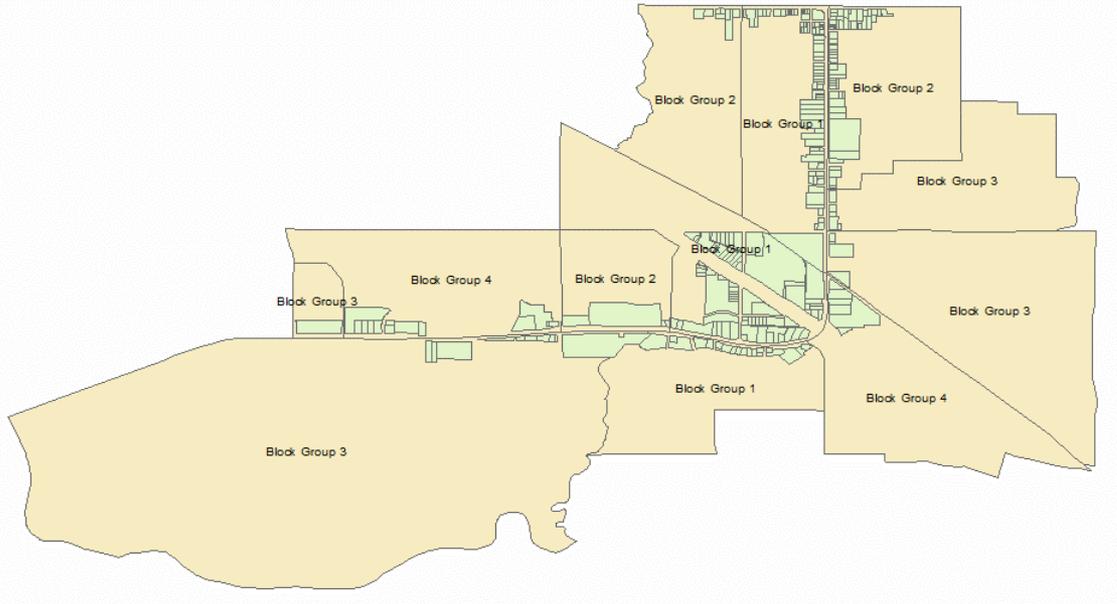
Source: DCAD and CoStar

## TOP PROPERTY VALUES (2018)

ADDRESS	PROPERTY	TOTAL VALUE
802 S BUCKNER BLVD	EASTFIELD COLLEGE PLEASANT GROVE	\$8,852,640 (Non-taxable)
7834 C F HAWN FWY	DAL TILE ADDN	\$8,400,000
220 and 221 STONEPORT DR	HILLSIDE APARTMENTS	\$8,024,000
7625 ANTOINETTE ST	MURDOCK TERRACE APARTMENTS	\$4,641,000
7203 GREAT TRINITY FOREST WAY	GROVE VILLAGE APARTMENTS	\$4,050,000
1250 CARBONA DR	FIRE STATION #34	\$1,982,340 (Non-taxable)
1227 S BUCKNER BLVD	FREE STANDING RETAIL STORE (CVS/GOTTLIEB BUCKNER BLVD)	\$1,894,250
440 HILLBURN DR	HEAVY INDUSTRIAL (LEGGETT PARTNERS LP)	\$1,625,000
116 N JIM MILLER RD	CONVENIENCE STORE (SANABEL INVESTMENT LP)	\$1,431,980

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# Analysis of Area Under Consideration



For analysis of data related to population, unemployment rate, and median household income, several block groups within the area can be used as a proxy for the area under consideration

# Analysis of Area Under Consideration

Population		
Year	Block Groups in NEZ 10	City of Dallas
2013	19,420	1,222,167
2014	19,817	1,240,985
2015	19,287	1,260,688
2016	17,880	1,278,433
2017	18,017	1,300,122

Source: U.S. Census, May 2019

Population Change (2011-2017)	
Block Groups in NEZ 10	City of Dallas
-7.2%	6.4%

Source: U.S. Census, May 2019

Unemployment Rate (%)		
Year	Block Groups in NEZ 10	City of Dallas
2013	16.9%	9.4%
2014	17.4%	8.9%
2015	10.5%	7.8%
2016	8.2%	6.8%
2017	4.8%	5.9%

Source: JobsEQ, May 2019; BLS

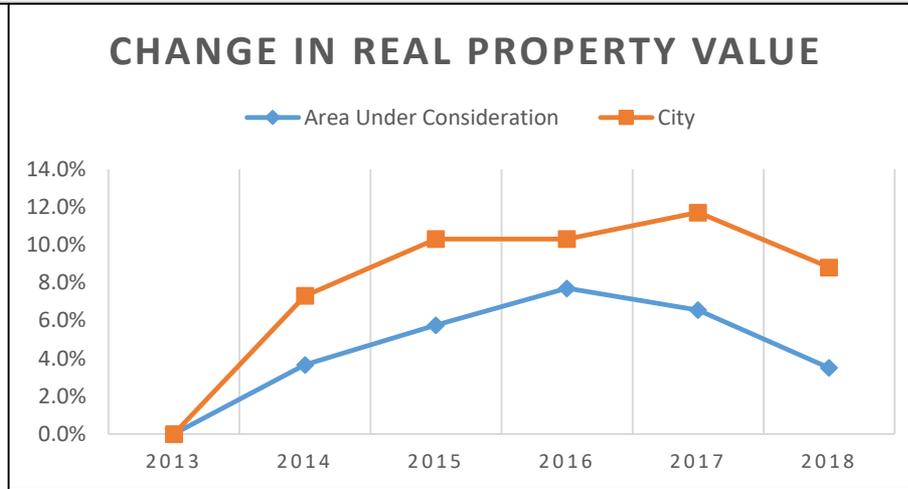
Median Household Income		
Year	Block Groups in NEZ 10	City of Dallas
2013	\$31,190	\$42,846
2014	\$29,116	\$43,359
2015	\$33,344	\$43,781
2016	\$28,661	\$45,215
2017	\$30,306	\$47,285

Source: U.S. Census, May 2019

# Analysis of Area Under Consideration

Real Property Value				
	Area Under Consideration		City	
Year	Property Value	% Change	Property Value	% Change
2013	\$73,805,217	-	\$32,700,000,000	-
2014	\$76,505,837	3.7%	\$35,100,000,000	7.3%
2015	\$80,905,080	5.8%	\$38,700,000,000	10.3%
2016	\$87,129,250	7.7%	\$42,700,000,000	10.3%
2017	\$92,836,638	6.6%	\$47,700,000,000	11.7%
2018	\$96,079,508	3.5%	\$51,900,000,000	8.8%

Source: DCAD; City of Dallas FY 2018 CAFR



# Analysis of Area Under Consideration

## Building Permits

Year	Area Under Consideration (Proposed NEZ #10)				City of Dallas			
	Completed Permits (work finished)	% Change	Total Value (completed during the year)	% Change	Completed Permits (work finished)	% Change	Total Value (completed during the year)	% Change
2016	10	-	\$ 820,339	-	11,905	-	\$3,059,988,194	-
2017	2	-80%	\$ 2,109,360	157%	12,816	8%	\$3,585,060,079	17%
2018	5	150%	\$ 225,300	-89%	11,685	-9%	\$3,609,323,912	1%

Source: City of Dallas

Notes: Excludes antenna tower replacements and upgrades; one permit for each address

Over the last 3 years, there was only one new construction permit issued each year in the area under consideration for proposed NEZ #10 (vehicle display/sales/service, convenient store with gas station, and restaurant).

# Analysis of Area Under Consideration

## Crime

	2013		2014		2015		2016		2017		2018	
	NEZ #10	City										
Homicide Offenses	1	139	0	115	1	130	3	169	0	162	0	156
Assault Offenses	34	3,460	32	3,767	32	3,924	41	4,498	59	5,893	60	5,607
Robbery	62	4,174	49	3,814	58	4,155	57	4,563	56	5,882	48	5,521
Sex Offenses (Forcible)	2	464	3	609	4	712	3	613	6	904	8	791
<b>Total Violent Offenses</b>	<b>99</b>	<b>8,237</b>	<b>84</b>	<b>8,305</b>	<b>95</b>	<b>8,921</b>	<b>104</b>	<b>9,843</b>	<b>121</b>	<b>12,841</b>	<b>116</b>	<b>12,075</b>
	2013		2014		2015		2016		2017		2018	
	NEZ #10	City										
Burglary/Breaking & Entering	86	14,265	114	11,523	123	10,985	118	10,790	47	9,879	42	9,054
Larceny/Theft Offenses	187	29,950	171	26,263	141	25,686	156	25,918	68	25,340	58	25,762
Motor Vehicle Theft	60	7,336	57	7,204	63	7,323	77	7,446	152	7,934	172	9,735
<b>Total Non-Violent Offenses</b>	<b>333</b>	<b>51,551</b>	<b>342</b>	<b>44,990</b>	<b>327</b>	<b>43,994</b>	<b>351</b>	<b>44,154</b>	<b>267</b>	<b>43,153</b>	<b>272</b>	<b>44,551</b>
<b>Total Index Crimes</b>	<b>432</b>	<b>59,788</b>	<b>426</b>	<b>53,295</b>	<b>422</b>	<b>52,915</b>	<b>455</b>	<b>53,997</b>	<b>388</b>	<b>55,994</b>	<b>388</b>	<b>56,626</b>
<b>% Change Year over Year</b>			-1%	-11%	-1%	-1%	8%	2%	-15%	4%	0%	1%

Source: City of Dallas Police Department

# Analysis of Area Under Consideration

Total Number of Businesses		
	Proposed NEZ #10	City of Dallas
<b>Total</b>	224	76,300
<b>Percentage</b>	0.3%	100.0%
Source U.S. ReferenceUSA, May 2019; U.S. Census, May 2019; City of Dallas		

Total Number of Jobs		
	Proposed NEZ #10	City of Dallas
<b>Total</b>	2,706	970,554
<b>Percentage</b>	0.3%	100.0%
Source U.S. ReferenceUSA, May 2019; U.S. Census, May 2019; City of Dallas		

# Analysis of Area Under Consideration

Major Employers			
Company Name	Address	Product/Service	Jobs
Dal-Tile Corp	7834 C F Hawn Fwy	Tile	800
American Marazzi Tile In	7834 C F Hawn Fwy	Tile-Ceramic-Distributors (Whls)	650
Duro Metal/Leggett & Pl	410 Hillburn Dr	Metal-Household Furniture (Mfrs)	130
Hunt's Food Store	7932 Great Trinity Forest #114	Grocers-Retail	100
Players Bingo	928 S Buckner Blvd	Bingo Games	60
Park & Ride	8008 Elam Rd	Park & Ride	57
Mc Donald's	8055 Great Trinity Forest Way	Restaurants	50
Iguana Event Ctr	400 S Buckner Blvd	Dancing Instruction	30
Griff's Hamburgers	1150 S Buckner Blvd	Restaurants	25
Sonic Drive-In	8126 Lake June Rd	Restaurants	25
Super Mercado Mexico	7828 Lake June Rd	Grocers-Retail	19
Far West	400 S Buckner Blvd	Night Clubs	15
Hawn Freeway Trailer St	7841 C F Hawn Fwy	Trailers-Automobile Utility Sports Etc	14
Wardle Bruce E	7716 Lake June Rd	Clinics	13
Pleasant Grove Library	1125 S Buckner Blvd	Libraries-Public	12
Wrangler Equipment & T	7841 C F Hawn Fwy	Telephone Companies	12
Busy Bodys	1045 S Buckner Blvd	Automobile Body-Repairing & Painting	11
Big Daddys Car Co	944 S Buckner Blvd	Automobile Dealers-Used Cars	10
Bingo Heaven	928 S Buckner Blvd	Bingo Games	10
Drive Casa	624 S Buckner Blvd	Car Washing & Polishing	10
Southeast Holding Inc	116 N Jim Miller Rd	Holding Companies (Non-Bank)	10
Tricolor Auto Group	551 S Buckner Blvd	Automobile Dealers-Used Cars	10
Trinity Forest Golf Club	5000 Great Trinity Forest Way	Golf Courses	10
Twilight Bingo	928 S Buckner Blvd	Bingo Games	10
Autozone	7939 Great Trinity Forest Way	Automobile Parts & Supplies-Retail-New	9
Source U.S. ReferenceUSA, May 2019			

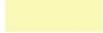
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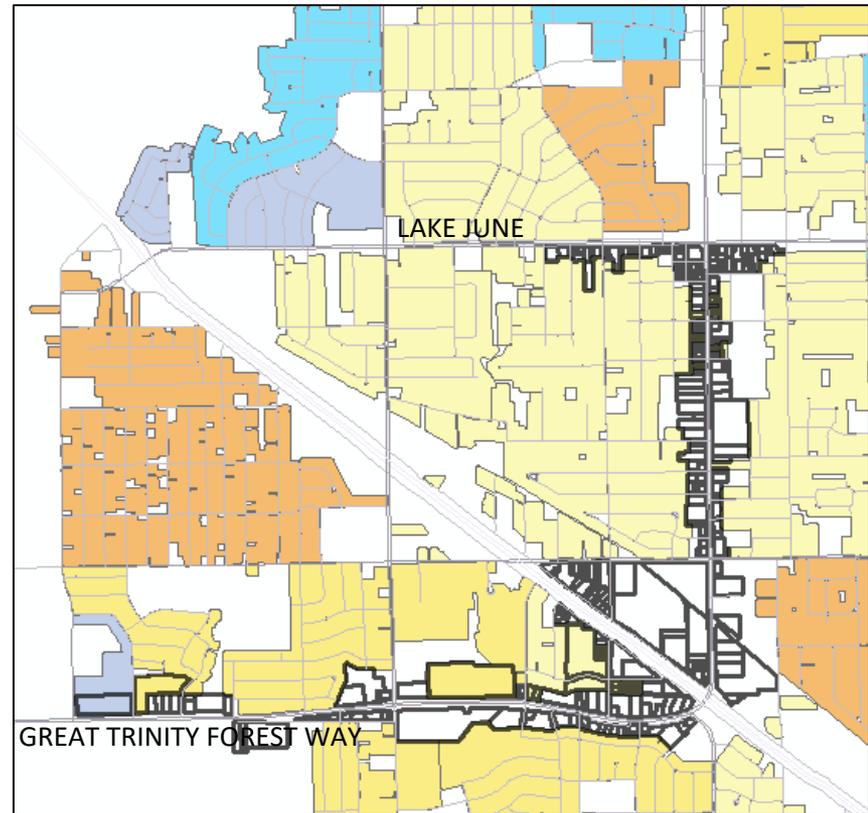
# Analysis of Area Under Consideration

## Market Value Analysis (MVA)

- Area within boundary of proposed NEZ #10 is comprised almost entirely of non-residential tracts
- Surrounded by concentrations of weaker residential market types G, H and I

MVA Market Types/Categories

	A		F
	B		G
	C		H
	D		I
	E		NA



# Proposed NEZ #10 and Pilot Program

- Within this proposed zone, minimum project eligibility requirements would be reduced from the standard criteria in the City's Public/Private Partnership Program Guidelines:
  - Create/retain at least 5 jobs; or
  - Provide at least \$75,000 of private investment
- Incentive tools would be proactively marketed to property owners and businesses within the zone (considered on a case-by-case basis based on specifics of each project & incentive application)
  - Real property tax abatement: up to 90% for 10 years
  - Business personal property tax abatement: up to 50% for 5 years
  - Southern Dallas Investment Fund
  - Grants and loans
  - Incentives for workforce development/job training
  - Other tools specifically marketed to the zone (public improvement district; New Markets Tax Credits; Property Assessed Clean Energy (PACE); State incentives)
- Staff would review progress of NEZ #10 and present updates to the Economic Development and Housing Committee

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# Staff Recommendation

- Creation of Neighborhood Empowerment Zone #10, pursuant to Chapter 378 of the Texas Local Government Code, to promote and increase economic development in the zone
- Creation of a pilot economic development program specifically tailored for NEZ #10 (as described in previous slide)
- Dedication of \$1 million to the pilot program for NEZ #10 from 2017 general obligation bond funding (Proposition I: Economic Development & Housing)



# Next Steps

- City Council meeting on June 12, 2019



# Proposed Neighborhood Empowerment Zone #10

**Economic Development & Housing  
Committee**

**June 3, 2019**

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



# Memorandum



CITY OF DALLAS

DATE **May 31, 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 **Workforce Readiness Initiative Update**

On Monday, June 3, 2019, the Committee will be briefed on the status of the Workforce, Readiness, Placement, and Retention Program. The briefing material is attached for your review.

Please feel free to contact myself or Courtney Pogue, Director of the Department of Economic Development, if you have any questions or need additional information.

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

**Michael Mendoza**  
Chief of Economic Development and Neighborhood Services

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swan, City Auditor  
Biliera Johnson, City Secretary  
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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

# **Workforce Readiness Initiative Update**

**Economic Development and  
Housing Committee  
June 3, 2019**

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



# Purpose

- Provide an update on the workforce readiness program, discuss lessons learned, and identify next steps for the Office of Economic Development workforce initiatives
- Seek committee approval for funding to Cedar Valley College for a HVAC Center of Excellence

# Background

- In 2016, City Council renewed focus on importance of workforce development as a City focus area.
  - ***New Skills at Work*** report by JPMorgan Chase identified need for middle-skill workers needed to fill the talent pipeline for targeted demand industries in the Dallas area
  - City Council authorized \$1.5 M for a workforce readiness pilot program, and staff procured proposals for cohort-based, certificate-earning, career-pathways job training programs that created a collaborative partnership among workforce providers

# Background

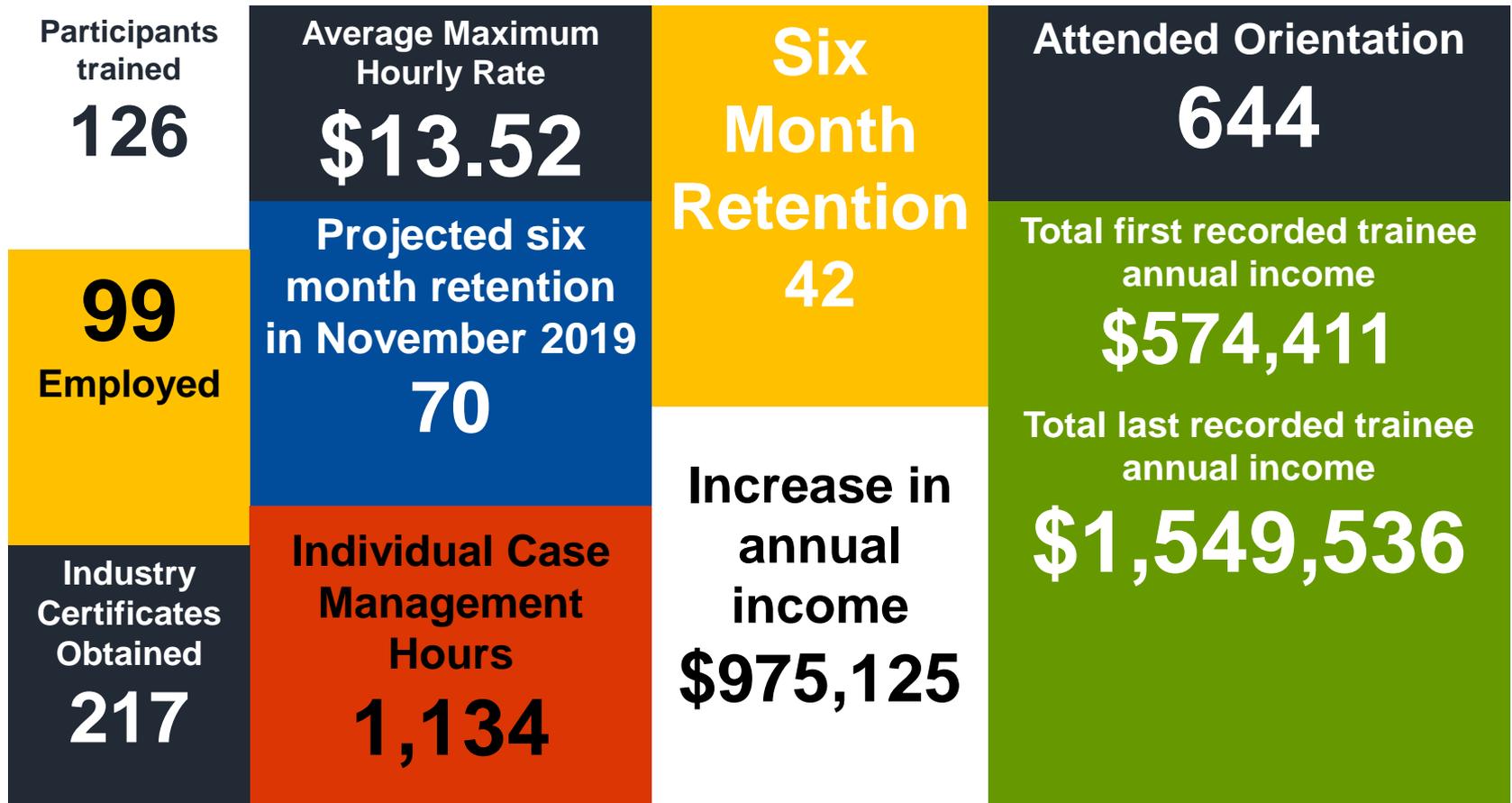
- Four agencies were selected for the pilot program: Serve West Dallas, City Square, Transformance, and Dallas Habitat for Humanity.
  - Dallas Area Habitat for Humanity terminated its contract due to an agency reorganization.
  - The Transformance contract was terminated due to contract non-compliance.

# Pilot Programs

- CitySquare and Serve West Dallas serve as the lead agencies, and partner with other non-profit organizations like Dallas County Community College District, partner employers, and Workforce Solutions.

	CitySquare	Serve West Dallas
Targeted Population	Formerly Incarcerated	Out of School Youth
Minimum Number Served	90	60
Retention goal	68	45
Industry	Construction	Health Care
Certification	Pre-apprenticeship Certificate	Patient Care Technician (PCT)
DCCCD Partner	Northlake	El Centro and Mountain View
Industry Partners	Mastek, JMEG, HILTI Tools	Baylor University Medical Center
Total Program Budget	\$1,421,247	\$725,295

# City Square Program Results



# Serve West Dallas Program Results

**STEP**<sup>®</sup>  
**FORWARD**

## PROGRAM RESULTS\*

\*As of May 15, 2019

Bus Passes

**77** 



**31**

Employed

Case Management  
Hours:

**2,628** Individual  
**241** Group

Avg. First  
Received Pay

**\$19,077.12**

Starting  
Salary

**\$11.75**

Avg. Last  
Received Pay

**\$22,636.80**

Projected Middle-skill  
Salaries In 5 Years

**\$50 - 65K**

**25**

Pending  
Hires



**51**

Career  
Readiness  
Certificates

**13**

Natl. Health  
Assoc.  
CPCT-A  
Certifications

**6**

Pursuing  
Tier 2  
Middle-skill  
Jobs

**74%**  
6 Month  
Retention

**33%**  
1 Year  
Retention

**604**

Outreached

**272**

Attended  
Orientation

**76**

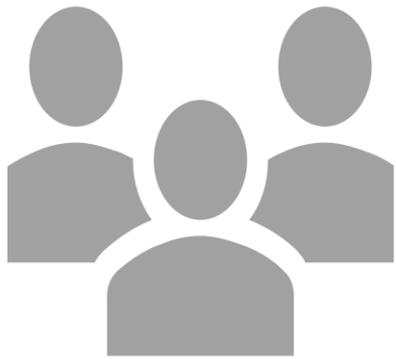
People  
Trained



# Overall Program Outcomes



916 attended orientation



202 program participants



130 employed (plus 25 pending hires)



281 certificates earned



Starting salaries range from \$11.75-\$16.00/hour

# City Square: Lessons Learned

- Systemic barriers impact job retention and there are a lack of resources to address barriers of marginalized groups
  - Tickets, arrests, and a lack of affordable bail impact workers' ability to obtain drivers license
  - Lack of affordable child care
  - Lack of transportation access to employment sites
  - Lack of affordable housing
- Dedicated and experienced case managers/retention specialists are necessary to overcome individual barriers and to promote retention
- Starting a new program is challenging. Obstacles to overcome include developing industry and provider partnerships, targeting outreach, and building program momentum.

# Serve West Dallas - Lessons Learned

- It is critical to develop an understanding of the industry and employer cultures in order to effectively prepare individuals to be successful in various work environments
- Targeted populations have specialized needs and need specialized resources to support workforce development programs

# Phase II – Applying Lessons Learned

**In March 2019, City Council approved a contract with Oak Cliff Works for an additional workforce training:**

- Serve a total of 70 single parents and out-of-school youth with minimum of 53 to be employed
- Mountain View Community College will provide Patient Care Technician training to program participants
- Methodist Health System and other HealthCare employers will provide on-the-job training and employment opportunities to program participants
- Provide 100% Case Management to program participants

## **Oak Cliff Works has:**

- Secured partnership agreements, including with Mountain View College and Methodist Health Systems
- Contracts are executed

# Pilot Program Results and Benefits

Promoted a collaborative funding process among agencies to decrease silos and leverage resources	✓
Developed replicable collaborative partnerships between community based organizations, Dallas County Community College District, and area industry employers	✓
Increased outreach and engagement in southern Dallas	
Increased engagement of area churches in workforce programs	✓
Increased employer engagement in workforce development training programs in healthcare and construction	↻
Increased awareness of community residents and community agencies in career pathway opportunities in healthcare and construction industries	✓✓
Retention goal is 75% of minimum number served	✓

# Ongoing Challenges

- Lack of resources to address barriers of marginalized groups (out-of-school youth, single parents, returning residents) such as affordable housing, childcare, transportation
- Need to engage employers in the development of relevant industry-based job skills training programs.
- Workers need additional job skills training aligned with industry standards and employers need trained workers
- On-going partnerships between community-based organizations, Dallas County Community College District, Workforce Solutions, and area employers are needed

# Next Steps

- The Resilient Dallas Strategy contained a number of goals and initiatives related to workforce development. This document was one of the source materials used by the Economic Development Strategic Plan consultants, and the Economic Development Strategic Plan will build upon the work of the Resilient Dallas Strategy.
- In the meantime, staff will continue to look for unique opportunities to increase the workforce readiness and job opportunities for Dallas citizens.
- One opportunity is described in the next slides, and involves HVAC certifications through Cedar Valley College.



# Cedar Valley College HVAC Center of Excellence

- The number of HVAC jobs in Texas is expected to increase by 28.5% between 2017-2027
  - Median wage in 2017 was \$19.92 per hour (\$41,433.00 annually)
- Cedar Valley College intends to add a commercial component (providing four certificate offerings) to its HVAC curriculum to address the projected employment need by renovating existing space to add a commercial labs and other elements
- Under the expanded program, 144 certificate students can enroll per year.

# Cedar Valley College HVAC Center of Excellence

- The total cost of the HVAC program is approximately \$4.5 million. The majority of the funding will be provided by the Dallas County Community College District but additional funds are needed from community partners.
  - The City of DeSoto has provided \$50,000
  - The City of Lancaster has provided \$150,000, which leverages additional state funding
  - Equipment costs are covered by industry donations and a state grant

# Cedar Valley College HVAC Center of Excellence

- Staff recommends that the City provide \$100,000 to support the program, on the following terms:
  - \$70,000 of City money would be provided on contract execution to help pay for creation of the program, with additional \$30,000 paid once DCCCD has finalized an agreement with DISD for P-TECH participation
  - A minimum of 115 Dallas residents would receive Certificate training at the center over two years (40% of all participants)

# Next Steps

- With the approval of this committee, a recommendation to execute an interlocal agreement with Cedar Valley College to fund \$100,000 for a minimum of 40% Dallas resident participation in the HVAC Center of Excellence program will be placed on the June 12 City Council agenda for consideration

# Going Forward

- Align
  - Assess all City-funded workforce programming, associated contracts, and outcomes (*Eco Dev, OHS, OCC, and others*)
- Consolidate
  - Seek opportunities to streamline City's workforce administration, centralize accountability, manage performance
- Strategize: FY2020
  - Develop recommendations for a comprehensive workforce program driven by data, economic development labor demands, equitable hiring practices:
    - Child care
    - Transportation
    - Apprenticeships and On-the-Job Training
    - Mental well-being

# Workforce Readiness Initiative Update

**Economic Development  
and Housing Committee**

**June 3, 2019**

**Courtney Pogue, Director  
Office of Economic  
Development**



**City of Dallas**

# Memorandum



CITY OF DALLAS

DATE May 31, 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 **New Markets Tax Credit Transaction: Girl Scouts of Northeast Texas STEM Center of Excellence**

On Monday, June 3, 2019, the Committee will be briefed on an upcoming New Markets Tax Credit Transaction: Girl Scouts of Northeast Texas STEM Center of Excellence. The briefing material is attached for your review.

Please feel free to contact myself or Courtney Pogue, Director of the Department of Economic Development, if you have any questions or need additional information.

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

Michael Mendoza  
Chief of Economic Development and Neighborhood Services

c: Honorable Mayor and Members of the City Council  
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# **New Markets Tax Credit Transaction: Girl Scouts of Northeast Texas STEM Center of Excellence**

**Economic Development and  
Housing Committee  
June 3, 2019**

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



# Background

- New Market Tax Credits (NMTC) is a federal tax credit program to help attract private investment for developments in Low Income Neighborhoods (map of eligible areas in Appendix A).
- Tax credit allocations are made directly to local Community Development Entities (CDE). The City of Dallas created the Dallas Development Fund (DDF) in 2009 as a local CDE. DDF is a city-controlled 501c3 organization created for the purpose of applying for NMTC allocations to be used in Dallas.
- The tax credit is similar to a matching grant and provides approximately 20% subsidy to qualified projects.

# Background

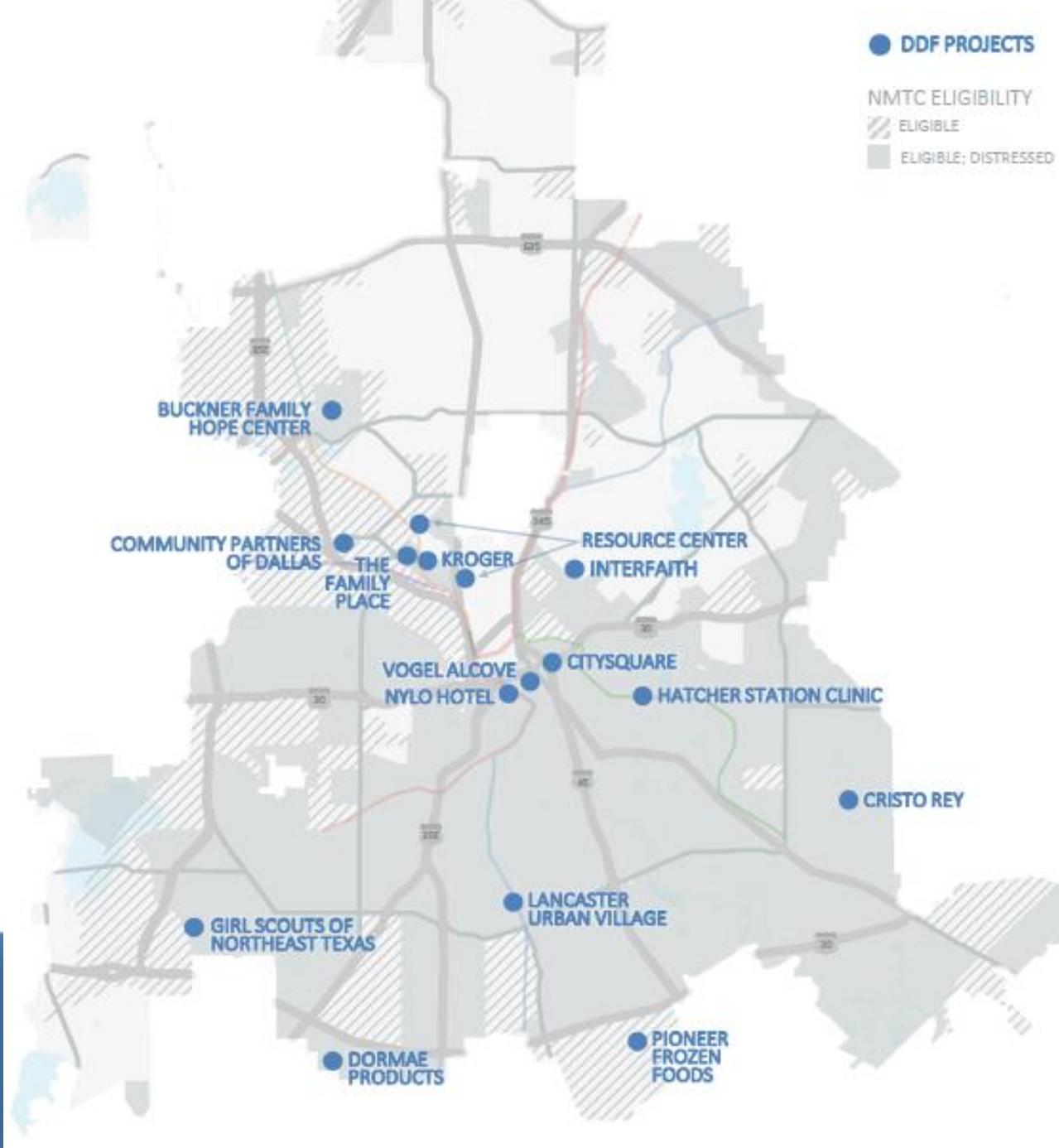
- DDF is the only municipal CDE in Texas to be awarded NMTC, and has been awarded a total of \$185M to date:
  - \$55M in 2009
  - \$30M in 2012
  - \$45M in 2014
  - \$55M in 2017
- To date, DDF and the City Council have authorized \$148 million in NMTC allocation to fifteen closed projects throughout the City (See Appendix C)

## Projects

- 15 total projects supported, 9 in southern Dallas
- 1,026,000 square feet developed and/or rehabbed

## 2018 Impacts

- 80,026 individuals served through social services
- 1011 FTE jobs created/retained with an average wage of \$21.36



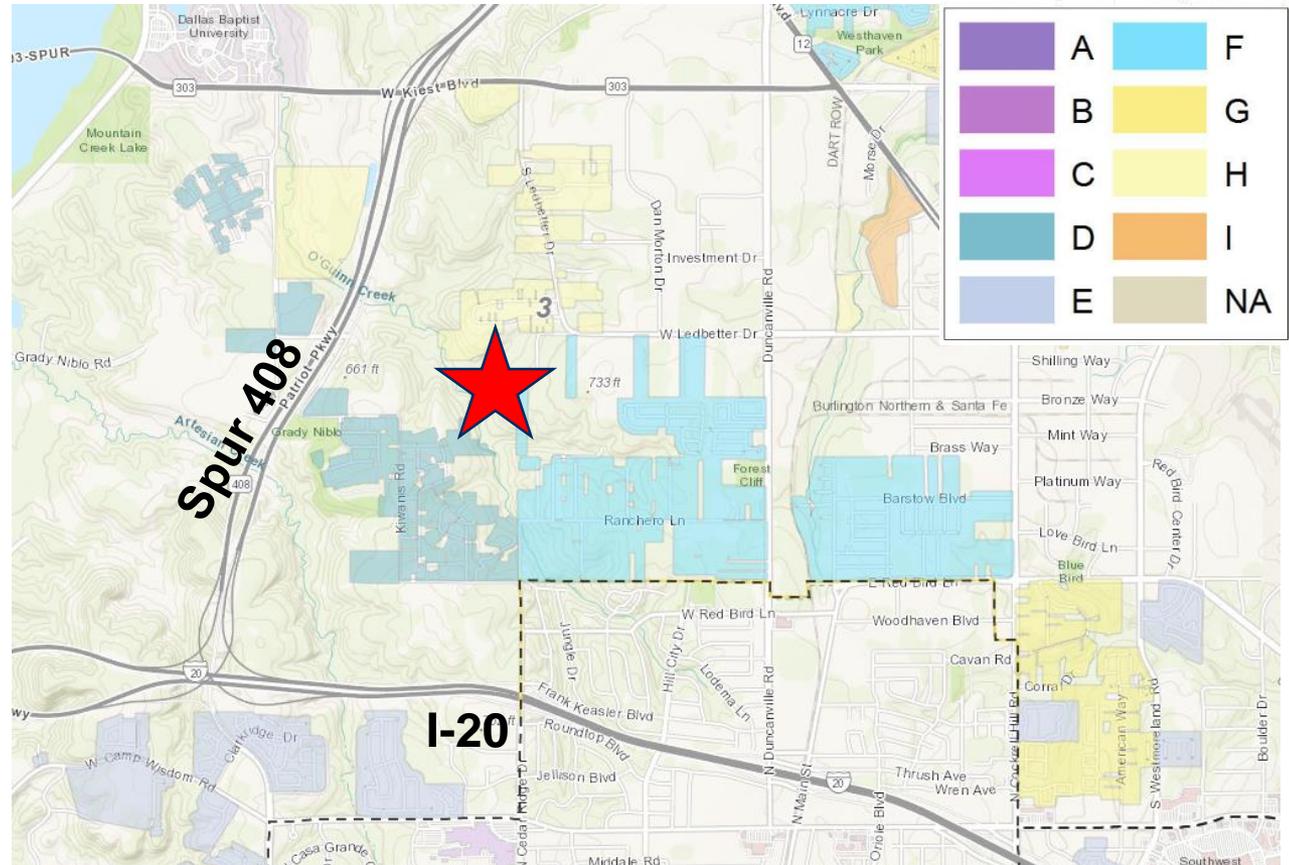
# Girl Scouts of Northeast Texas

- Regional Girl Scout council serving over 25,000 girls in 32 counties across northeast Texas
- The council leads programs in 39 DISD schools, reaching more than 3,000 low/moderate income students



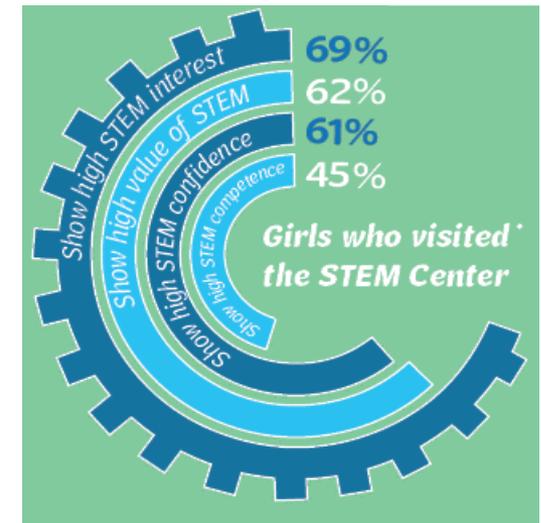
# The STEM Center of Excellence

The STEM Center of Excellence is located at Camp Whispering Cedars in southwest Dallas, in a highly distressed census tract.



# The STEM Center of Excellence

- The 92-acre, WWII-era urban camp has been redesigned into the STEM Center for Excellence to offer nation-leading STEM education opportunities. The facility includes classrooms, chemistry and computer labs, an observation tower for astronomy lessons, a nature trail with ecosystem educational signage, an obstacle course of machines and catapults to study scientific principals such as gravity and acceleration, an archery range, a geology trail, a ropes course, an outdoor soundscape, an aquatics center, and other amenities.
- Programs include:
  - K-12 outdoor field trips with local schools
    - In 2018, 60% of participants were Dallas residents, and 52% of participants were southern Dallas residents
  - After school and weekend STEM workshops
  - Day camps (summer and school vacations)
  - Overnight summer camps
  - STEM-related volunteer training and continuing education sessions for Dallas-area teachers



# 2016 NMTC Award

- In 2016, the Dallas Development Fund provided \$6 Million in NMTC as part of the initial redevelopment project to support the welcome center, aquatic facilities, leadership lodge, and observation tower.
- The 2016 redevelopment was expected to increase the number of girls served from 2,200 to 3,000+.
- The actual number of children served in 2018 was **14,932**. The facility has been wildly successful, and needs to accelerate additional renovations to accommodate the number of visitors.



# 2019 Project Summary

- Additional NMTC funds are needed to support new STEM enhancements and to add site and security upgrades required due to increased usage. STEM enhancements include:
  - Robotics and innovation center
  - STEM-focused Maker's Space
  - STEM equipment and technology
- These enhancements will allow the facility to serve even more children.
  - Actual: 14,932 unique individuals in 2018
  - Projected: 18,300 unique individuals served annually in 2025



# Project Summary

Total Project Budget: \$12.4 million

DDF NMTC Allocation (2019): \$5.5 million

Leverage: Capital campaign proceeds;  
bridge loan from Capital One for recent  
expenditures

NMTC Investor: Capital One

Expected Closing: July 2019

<b>Total Sources</b>	
DDF Gross Subsidy ("B Note") - 2019 deal	\$1,538,900
DDF Gross Subsidy ("B Note") - 2016 deal	\$1,749,000
Capital One Gross Subsidy ("B Note") - 2016 deal	\$663,000
GSNETX Capital Campaign Proceeds	\$10,166,482
<b>Total Sources</b>	<b>\$14,117,382</b>
<b>Total Uses</b>	
Land and Site Work	
Land Acquisition	\$140,940
Site Infrastructure	\$1,447,827
Outdoor Recreation/Educational Infrastructure	\$853,421
New Building Construction	
Welcome Center and Girl Program Center	\$1,778,277
Pool and Aquatic Center	\$1,584,216
Observation Tower and Courtyard	\$1,382,850
Girl Exploration Center	\$1,194,437
Leadership Center/Health Lodge	\$1,159,646
Templeton Lodge	\$747,669
Innovation Center	\$366,293
Pavilion/studio/program spaces	\$350,000
Building Renovations	\$1,136,654
STEM Equipment	\$198,514
P&P Bonds	\$49,819
<b>Base Project Costs</b>	<b>\$12,390,562</b>
NMTC Costs (2016 deal)	\$1,146,071
Estimated NMTC Closings Costs (2019 deal)	\$350,000
Reserve for DDF Ongoing Fees (2019 deal)	\$230,750
<b>Total Uses</b>	<b>\$14,117,382</b>

# DDF Investment Criteria

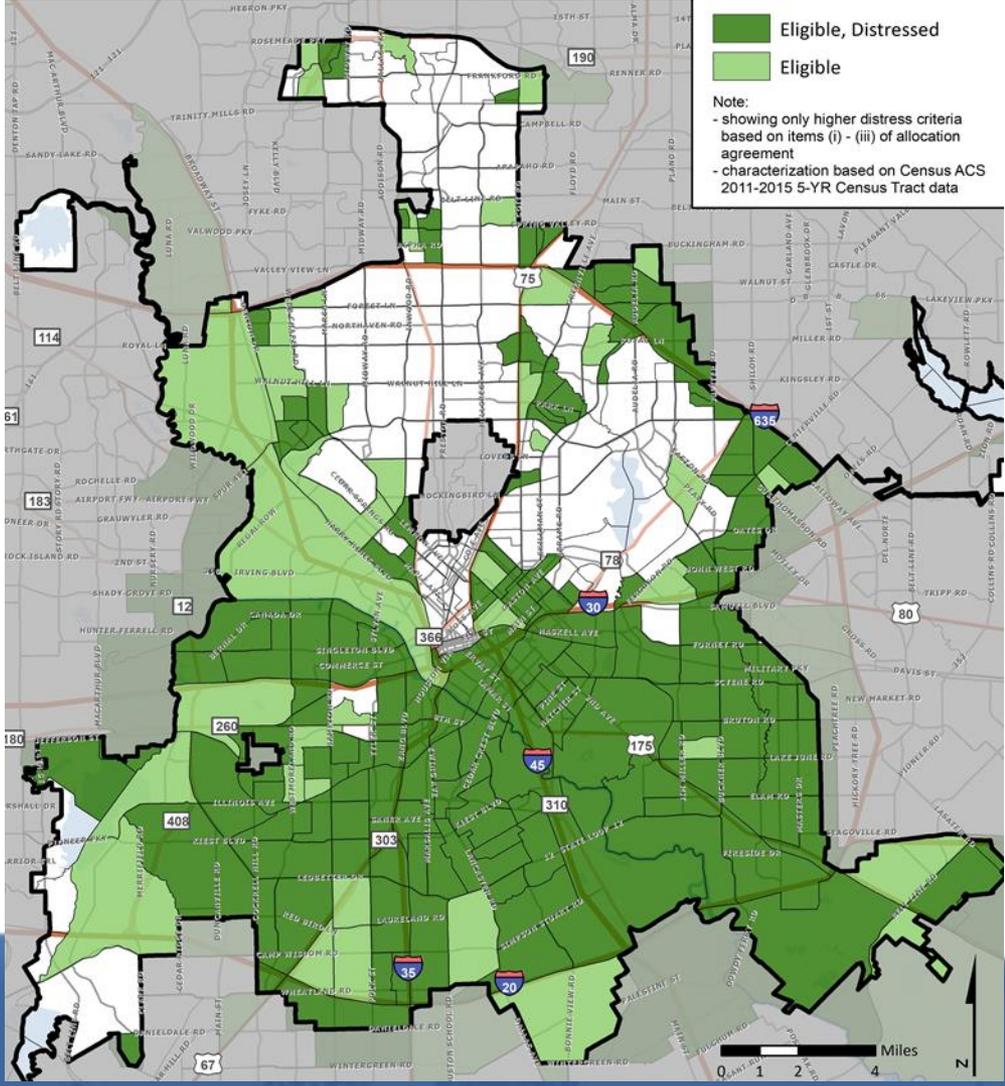
<b>Location</b>	<b>Highly-Distressed Community</b>		<b>Transit Accessible</b>	<b>Southern Dallas</b>	<b>MVA Rating</b>
	Poverty: 19.3% MFI: 59.6%		No	Yes	Near D & E areas
<b>Anticipated community impacts</b>	<b>Job Retention &amp; Creation</b>	<b>Quality/ Accessible Jobs</b>	<b>M/WBE-Owned Business</b>	<b>Community Goods/Services</b>	<b>Environmental Sustainability</b>
	Retains 16 FT and 14 PT positions (includes 7 AmeriCorps positions) Anticipate hiring 8 additional FTE	All full-time staff receive benefits including employer-covered health insurance, a 403(b) plan with employer match, and paid vacation time	Female CEO; Senior leadership all women	In 2018, the STEM Center of Excellence served nearly 15,000 individuals; by 2025 expected to be over 18,000	Green Business Certified; green roof buildings, water recapture facilities, photovoltaic usage, LED lights
<b>Impact on Southern Dallas</b>	<b>Clients Served</b>			<b>Employees</b>	
	Over 5,000 visitors from Southern Dallas (more than half of field trip participants are)			3 current employees reside in southern Dallas; TBD for future employees	
<b>Indirect Impacts</b>	\$9.8MM in output during construction; \$4MM in annual output for ongoing operations Construction: 18 indirect and induced jobs; Operations: 9 indirect and induced jobs				
<b>Local community need for project</b>	Provides STEM and outdoor learning facilities to girls and youth in the City of Dallas, particularly those participating in the Girl Scout Academy program and other DISD in-school programs, and school field trips				
<b>Demonstrated need for NMTC</b>	Fills gap in capital campaign so sponsor doesn't have to borrow additional funds to complete project				

# Next Steps

With the approval of this committee, this item will be placed on the June 26 City Council agenda for consideration.



# Appendix A– NMTC eligible areas



# Appendix B- Current Board Members

- Gilbert Gerst (President)
- Brentt Shropshire (Vice President)
- Zenetta Drew (Treasurer)
- Benjamin Salazar
- Dora Ramirez
- Edward Okpa
- Valerie Hawthorne



# Appendix C – Approved Transactions

	Project	DDF Allocation Amount	Project Type	Total Project Cost	Council District	Closing Date
First Allocation	NYLO	\$18.5 M	Hotel	\$19.1 M	2	11-Jul
	Kroger	\$12.5 M	Grocery store	\$12 M	2	11-Jul
	Lancaster Urban Village	\$11.5 M	Mixed-use housing	\$27.8 M	4	12-Sep
	CitySquare Opportunity Center	\$12.5 M	Community facilities	\$13.8 M	7	13-Jun
Second Allocation	Vogel Alcove	\$6 M	Community facilities	\$5.9 M	2	12-Dec
	Hatcher Station Clinic	\$15 M	Medical facility	\$19.8 M	7	14-Jul
	Serta/Dormae	\$9 M	Manufacturing facility	\$15.5 M	8	15-Jul
Third Allocation	Family Place	\$11.5 M	Community facilities	\$16.1 M	2	16-Jul
	Resource Center	\$6.5 M	Community facilities	\$8.2 M	2	16-Jul
	Pioneer Foods	\$8 M	Manufacturing facility	\$36.8 M	8	16-Jul
	Girl Scouts STEM Center	\$6 M	Community facility	\$10.3 M	3	16-Dec
	Cristo Rey High School	\$7 M	Education facility	\$10.1 M	5	16-Dec
	Interfaith Family Services	\$6 M	Community facility	\$11.0 M	14	17-Jan
Fourth Allocation	Buckner Family Hope Center	\$11 M	Community facility	\$11.8 M	6	18-Oct
	Community Partners of Dallas	\$7 M	Community facility	\$8.5 M	6	18-Dec
	Maya Cinemas	\$9 M	Movie theater	\$29 M	1	TBD

# **New Markets Tax Credit Transactions: Girl Scouts of Northeast Texas STEM Center of Excellence**

**Economic Development  
and Housing Committee**

**June 3, 2019**

**Courtney Pogue, Director  
Office of Economic  
Development**



**City of Dallas**

# Memorandum



CITY OF DALLAS

DATE May 31, 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 Loan Agreement with Texas Heavenly Homes, Ltd. for the Acquisition and Development of Single-Family Homes in the Bottom Neighborhood to Extend Completion Deadlines, Incorporate Additional Requirements as Consideration, Convert the Loan Agreement to a Conditional Grant, and to Include Performance Thresholds**

On Monday, June 3, 2019, the Economic Development and Housing Committee will consider a proposed amendment to the Texas Heavenly Homes, Ltd. loan agreement for the acquisition and development of single-family homes in the Bottom neighborhood to extend completion deadlines, incorporate additional requirements as consideration, convert the loan agreement to a conditional grant, and to include performance thresholds.

## **Summary**

In 2008, the City of Dallas entered into a loan agreement (Agreement) with Texas Heavenly Homes, Ltd. (THH) related to the acquisition of parcels of privately-owned real property in the Bottom neighborhood (Properties) and the development of new single-family housing units on such Properties. While THH acquired the Properties, THH did not develop any housing units on the Properties. Several factors contributed to the development delay, the primary barrier being the lack of upgraded public water and sewer infrastructure in the Bottom neighborhood (Bottom). However, on May 22, 2019, the Dallas City Council approved the initiation of a phased public infrastructure improvement project in the Bottom that will resolve many of the issues that led to THH's development delays, at least as they related to Properties located in the first phase of the of the public infrastructure improvement project. Therefore, the Department of Housing and Neighborhood Revitalization (H&NR) is proposing to amend the Agreement to extend the timeframe for development, incorporate additional requirements as consideration, convert the loan agreement to a conditional grant, and to include performance thresholds.

## **Background**

### ***Summary of Project and Terms of Development***

The Bottom is defined as the neighborhood bounded by I-35 to the west, the Trinity River to the north, Corinth Street to the east and 8<sup>th</sup> Street to the south with approximately 500 residential lots.

THH is a Texas limited partnership with Hanover Development Company as the General Partner. Hanover Development Company, a Texas corporation, primarily specializes in the

DATE May 31, 2019

SUBJECT Proposed Amendment to the Loan Agreement with Texas Heavenly Homes, Ltd. for the Acquisition and Development of Single-Family Homes in the Bottom Neighborhood to Extend Completion Deadlines, Incorporate Additional Requirements as Consideration, Convert the Loan Agreement to a Conditional Grant, and to Include Performance Thresholds

development of large-scale master-planned residential communities in Dallas-Fort Worth. The President of Hanover Development Company is Richard LeBlanc and the Vice President is Walter Damon.

On June 25, 2008, City Council authorized the City Manager to execute a loan agreement and related documents with THH for a loan in the amount of \$500,000 at 0% interest for the purposes of acquiring improved and unimproved Properties in the Bottom, and for associated relocation, environmental remediation or demolition. The terms of the Agreement also required THH to develop and sell or lease housing units on all of the Properties acquired with the City's loan to households earning 140% or less of area median income.

The Agreement was entered into pursuant to the City's Chapter 380 Program for Loans and Grants and the Public/Private Partnership Program, which, at the time, included a special category for an Economic Development General Obligation Bond Program for Southern Dallas. The funding source for the loan was 2006 General Obligation bond monies that were allocated to promoting economic development in the Southern area of the City. On January 8, 2009, the City of Dallas executed the loan agreement with THH.

The Agreement required THH to: (1) expend all of the loan proceeds in accordance with the terms of the loan agreement within two years from the effective date of the Agreement and (2) complete construction of the residential structures on each lot and sell or rent the homes to qualified buyers who would occupy the home as their principal residence within seven years of the effective date of the Agreement. Additionally, the Agreement required THH to impose deed restrictions on the Properties, which the City agreed to release upon sale to a qualified buyer.

***Timeline of Activity Related to Redevelopment of the Bottom***

By 2012, THH had acquired 36 residential lots in the Bottom and expended all loan proceeds. THH has also acquired an additional 55 residential lots in the Bottom without any City funding. However, THH did not, and has not, begun to develop housing units in the Bottom.

In 2015, the City Design Studio developed The Bottom Urban Structure and Guidelines, a future development vision for the Bottom based on input from residents and community stakeholders that was adopted by City Council on April 4, 2015. In 2016, the Department of Public Works commissioned design of utility infrastructure upgrades for the Bottom and the Trinity Watershed Management Department (now Dallas Water Utilities) commissioned a floodplain study to update the location of the 100-year regulatory floodplain.

On April 21, 2017, due to its failure to begin development on any of the Properties, THH deeded seven of the Properties to the City via a deed in lieu of foreclosure. However, THH

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SUBJECT Proposed Amendment to the Loan Agreement with Texas Heavenly Homes, Ltd. for the Acquisition and Development of Single-Family Homes in the Bottom Neighborhood to Extend Completion Deadlines, Incorporate Additional Requirements as Consideration, Convert the Loan Agreement to a Conditional Grant, and to Include Performance Thresholds

still did not initiate the construction of any homes on either the Properties or on the parcels of real property it acquired with private funds.

Therefore, beginning in the Fall of 2018, H&NR initiated discussions with: (1) THH, (2) other stakeholders in the Bottom, (3) the Councilmember representing the Bottom, and (4) representatives from numerous City departments to determine if the Agreement should be amended to extend the development timeframe or if the City should initiate foreclosure proceedings on the Properties and restart the redevelopment project with a new development partner.

On May 17, 2018, the City Plan Commission authorized a public hearing to consider appropriate zoning for the Bottom, including use, development standards, parking, landscape, sign, and other appropriate standards.

On May 22, 2019, City Council approved a construction contract for the construction of street paving, drainage, and water and wastewater main improvements for the Bottom Phase I Project (Phase I) which consists of: (1) North Denley Drive from Hutchins Avenue to Levee; (2) North Moore Street from Hutchins Avenue to Levee; and (3) May Hall Street from North Denley Drive to Moore Street. A second phase of the public infrastructure improvement project (Phase II) would tentatively include infrastructure improvements to the following eight streets: (1) Cleaves Street from Hutchins Avenue to the levee, (2) Bobbie Street from Canyon street to the levee, (3) Albright Street from Canyon street to the levee, (4) Viaduct Street from Canyon street to the levee, (5) Sparks Street from Hutchins street to the levee, (6) Hart Street from Canyon street to the levee, (7) Pecan Drive from Canyon street to the levee and (8) a shared street along the sump/levee with loop connections between the dead end streets. However, full funding for Phase II has not yet been identified.

### **Issues**

#### ***Reasons for THH's Failure to Develop Housing Units in The Bottom***

The City has worked to redevelop the Bottom for more than a decade with little success. The THH Agreement was intended to be a catalyst for the initiation of housing development in the Bottom, but after 10 years, redevelopment activities remain stalled. Other property owners and investors have shied away from redevelopment activities in the Bottom due to the financial risks associated with "being the first" to attempt to redevelop the neighborhood, including uncertainty regarding appraisals of newly-constructed homes and the level of interest from potential homebuyers for purchasing homes in the neighborhood.

THH's failure to develop housing units can be attributed to a combination of several factors, including: (1) the lack of upgraded public water and sewer infrastructure, (2) the small lot size of many of the Properties, (3) the costs and regulations related to developing in the floodplain, and (4) THH's desire to deviate from certain components of the Bottom Urban Structure and Guidelines.

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SUBJECT Proposed Amendment to the Loan Agreement with Texas Heavenly Homes, Ltd. for the Acquisition and Development of Single-Family Homes in the Bottom Neighborhood to Extend Completion Deadlines, Incorporate Additional Requirements as Consideration, Convert the Loan Agreement to a Conditional Grant, and to Include Performance Thresholds

The recently initialed Phase I public infrastructure improvement project will resolve many of the issues that led to THH's development delays, at least as they relate to land located in Phase I of the public infrastructure improvement project. Additionally, H&NR and Planning and Urban Design (P&UD) have met with THH to discuss the purpose and nature of the Bottom Urban Structure and Guidelines in order to address THH's questions and concerns about the Bottom Urban Structure and Guidelines.

Therefore, H&NR is proposing to amend the Agreement to extend the timeframe for development, incorporate additional requirements as consideration, convert the loan agreement to a conditional grant, and to include performance thresholds. The terms of the amended Agreement differ significantly from the original Agreement. The amended Agreement: (1) sets specific deadlines by which THH must demonstrate that it is moving forward with constructing homes, (2) requires homes to be designed in accordance with the Bottom Urban Structure and Guidelines, (3) requires the constructed homes to be sold to households earning 80% of AMI and below rather than 140% of AMI, (4) imposes a 5-year period of affordability wherein the home must remain occupied by an eligible household, (5) converts the Agreement from a loan to a conditional grant, (6) include performance thresholds and requirements.

The amended terms are more specifically described below:

1. The completion date is extended from January 9, 2016 to: (a) June 1, 2020 or within 30 days of completion of Phase I of the public infrastructure improvement project, whichever occurs first, for the 10 parcels of real property located in Phase I of the public infrastructure improvement project and (b) within two years of completion of Phase II of the public infrastructure improvement project for the 19 parcels of real property, THH must apply for building permits for the 10 parcels of real property located in Phase I of the public infrastructure project, including, specifically Properties on: (a) North Denley Drive from Hutchins Avenue to Levee; (b) North Moore Street from Hutchins Avenue to Levee; and (c) May Hall Street from North Denley Drive to Moore Street by June 1, 2020 or within 30 days of completion of Phase I infrastructure work, whichever occurs first.
2. For the 10 parcels of real property located in Phase I of the public infrastructure project, complete and submit the following documents to the applicable City departments by the dates provided:
  - a. a zoning and platting application to the Sustainable Development Department for review and approval by August 1, 2019,
  - b. a civil engineering review of streets and drainage and soil and utility tests to P&UD for review and approval by August 1, 2019,
  - c. house elevations and plans to P&UD for review and approval by August 1, 2019, related to the plans' conformance with the adopted Bottom Urban

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- Structure and Guidelines and the Urban Design Expectations described more fully in Item No. 4, below, and,
- d. tree surveys and mitigation plans to the City Arborist for review and approval by September 1, 2019.
3. The single-family house elevations and plans for redevelopment of the 29 parcels of real property located in Phases I and II of the public infrastructure project shall comply with the following Urban Design Expectations:
- a. All homes shall have pitched roof forms. Structures that are visible from the public street must have pitched roofs. Any flat roof structures provided shall not be visible from any public street, and
  - b. 70% of all homes on any block face must have covered front porches with a minimum depth of 6 feet (max 10 ft.) and a minimum area of 80 sq. ft., and
  - c. New driveways and curb cuts must be co-located along shared property lines on adjacent properties. Driveways shall be a maximum of 16 feet wide at the curb. Where lot widths are 27 feet or less, driveway curb cuts shall leave an uninterrupted length of no less than 9 feet of curb along the lot frontage. Dual entry and circular driveways are not permitted, and
  - d. Garages shall be placed a minimum of 2 feet behind the street-facing façade, if the home has a porch in compliance with subsection (b). A street facing façade is defined as the façade on which the home's front door is located. If the home has no porch, the garage must be placed a minimum of 8 feet behind the street-facing façade. Front-facing garages shall be architecturally treated to de-emphasize their visual impact and prominence from a public street, and
  - e. To promote a variety of architectural interest on each block, every block face shall have homes with a variety of elevations and floor plans. No two homes with identical floor plans or street facing elevations shall be placed next to each other or directly across the street from each other.
4. THH must provide any additional information requested by the City to process the documents described above. Such information must be provided within a reasonable time, as determined by the Director of H&NR (Director), in his/her sole discretion.
5. The Director may approve up to two one-year extensions of the development timeframe, in his/her sole discretion.
6. All 29 single-family homes constructed on the properties listed in Exhibit B must be deed restricted for sale to households earning 80% of the area median income and below, who must occupy the homes as their principal place of residence for a minimum of 5 years.

The City will also amend the deed of trust, the deed restrictions, and the note to reflect the amendments to the Agreement and will convert the Agreement to a conditional grant agreement.

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In the event that any conditions of the amended contract are not met, the City of Dallas reserves the right to foreclose on the Properties or to pursue other remedies available to it under the agreement or under any document securing the contract requirements.

### **Alternatives**

If the THH Agreement is not amended to provide additional time for THH to develop the required single-family homes, the City may be required to initiate a foreclosure action against THH to gain ownership of the Properties. During the course of the lawsuit, the Properties would remain undeveloped, thereby further stymying efforts to jumpstart redevelopment in the Bottom.

### **Fiscal**

There is no cost consideration to the City.

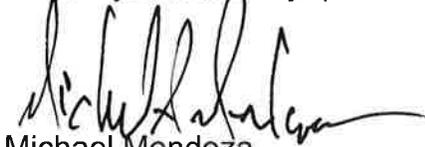
### **Departments/Committee Coordination**

H&NR coordinated with P&UD, Sustainable Development and Construction, Public Works and Dallas Water Utilities.

### **Staff Recommendation**

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

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



Michael Mendoza

Chief of Economic Development and Neighborhood Services

c: Christopher Caso, City Attorney (Interim)  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizzor 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  
M. Elizabeth Reich, Chief Financial Officer  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Directors and Assistant Directors

# Memorandum



CITY OF DALLAS

DATE May 31, 2019

TO The Honorable Members of the Economic Development and 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 City's Plan of Action to meet the U.S. Department of Housing and Urban Development  
Community Development Block Grant Funds Expenditure Deadline

The purpose of this memorandum is to provide details on how staff intends to meet expenditure deadlines tied to the annual allocation of U.S. Department of Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") funds.

## Summary

The City of Dallas ("City") receives an annual allocation of CDBG funds in the approximate amount of **\$14,700,000**. These CDBG funds are programmed through a variety of projects, programs, and activities including: public services; economic development activities; public improvements, down payment and closing cost for first time home buyers; home repair and home improvements; and fair housing oversight. HUD regulations stipulate that expenditures for these activities must be made by scheduled deadlines – "timeliness test." These provisions also state that the City cannot have more than **1.5** times its CDBG allocation in its U.S. Department of the Treasury ("Treasury") line of credit **60** days prior to the end of a programming year, which for the City of Dallas is September 30, 2019. If the City continuously has more than **1.5** times its CDBG allocation, HUD can reduce funding allocations and withhold future grants. HUD will conduct a "timeliness test" to determine if the City has more than **1.5** times its allocation on August 2, 2019. This memorandum explains how staff will draw **\$7,517,016.00** of CDBG funds, before August 2.

## Background

For the City to meet HUD requirements with respect to CDBG regulations, Housing and Neighborhood Revitalization ("HNR") staff proposes to adjust federal grant allocations — CDBG and HOME Investment Partnership Program ("HOME") for the Three developments that were awarded funding under the Notice of Funding Availability ("NOFA"). The adjustment will increase CDBG funding for the 2400 Bryan project and decrease CDBG funding on the other two projects, which are not expected to expend funds until September and October 2019. Additionally, HNR staff recommends amending

certain terms and conditions included in Resolution Nos. 19-0360, 19-0385, and 19-0387 authorized by City Council on February 27, 2019.

**Funding Plan**

HNR staff recommends reducing the CDBG allocations for the Estates at Shiloh and Palladium Redbird developments; increasing the CDBG allocation and eliminating the HOME funds allocation for the 2400 Bryan Street development as follows:

<b>CURRENT FUNDING</b>				
<b>Type of Funds</b>	<b>2400 Bryan</b>	<b>Palladium Redbird</b>	<b>Estates at Shiloh</b>	<b>Total Fund Type</b>
<b>CDBG</b>	\$3,421,373.00	\$2,696,300.00	\$3,801,000.00	\$9,918,673.00
<b>HOME</b>	\$3,605,570.00	\$3,575,276.00	\$0.00	\$7,180,846.00
<b>GO Bonds</b>	\$973,057.00	\$2,028,424.00	\$199,000.00	\$3,200,481.00
<b>P/PP</b>	\$6,000,000.00	\$0.00	\$0.00	\$6,000,000.00
<b>Total</b>	\$14,000,000.00	\$8,300,000.00	\$4,000,000.00	\$26,300,000.00
<b>REVISED FUNDING</b>				
<b>Type of Funds</b>	<b>2400 Bryan</b>	<b>Palladium Redbird</b>	<b>Estates at Shiloh</b>	<b>Total Fund Type</b>
<b>CDBG</b>	\$7,026,943.00	\$1,271,576.00	\$1,620,154.00	\$9,918,673.00
<b>HOME</b>	\$0.00	\$5,000,000.00	\$2,180,846.00	\$7,180,846.00
<b>GO Bonds</b>	\$973,057.00	\$2,028,424.00	\$199,000.00	\$3,200,481.00
<b>P/PP</b>	\$6,000,000.00	\$0.00	\$0.00	\$6,000,000.00
<b>Total</b>	\$14,000,000.00	\$8,300,000.00	\$4,000,000.00	\$26,300,000.00

HNR staff consulted with the three development partners and with Texas Department of Housing and Community Affairs (“TDHCA”). The transaction involves City of Dallas Housing Finance Corporation (“DHFC”) accepting ownership of the land, along with provisions whereby DHFC must enter into a development loan agreement with the City for the CDBG funds, subject to DHFC board approval. In order to meet the timeliness test, closing on the land will occur by July 5, in advance of closing on developer equity, and other financing for the 2400 Bryan Street development which is scheduled to occur between mid-July and early August 2019.

The following terms and conditions will need to be amended in Resolution No. 19-0360 to allow for the DHFC to take down the land prior to closing on all other financing:

- Amend the development loan agreement amount with 2400 Bryan Street, LLC (“2400 Bryan”);

- Authorize a development loan agreement with the DHFC for the CDBG funds, subject to DHFC Board approval;
- Allow the City's loan and grant to close prior to equity and other financing;
- Allow 2400 Bryan and the DHFC to be reimbursed for costs associated with the acquisition at closing; and
- Allow the City to maintain no less than 3<sup>rd</sup> lien position.

For Estates at Shiloh and Palladium Redbird, HNR staff recommends allowing the City's loan and grant to close prior to equity and other financing for the developments only to assist the City to meet a federal expenditure deadline. Additionally, for Palladium Redbird, HNR staff recommends entering to a development loan agreement with the DHFC only if CDBG funds are needed to acquire the land.

All other terms and conditions authorized under Resolution Nos. 19-0360, 19-0385, and 19-0387 would remain unchanged.

### **Issue**

If amending Resolution Nos. 19-0360, 19-0385, and 19-0387 does not move forward, then the City is at risk of losing its CDBG funds that exceed the maximum amount allowed to be kept in its line of credit with the Treasury. Additionally, future allocations for CDBG funding will be at risk of being reduced due to not meeting the timeliness test. This is lost revenue to the City to serve its low-to-moderate households through the City's activities designated for the use of CDBG funds.

### **Fiscal Impact**

There is no cost consideration to the City to revise the funding allocations as proposed.

### **Departments/Committee/Council Actions**

The City Attorney's Office and the Community Development Division of the Office of Budget were consulted and reviewed this item.

### **Staff Recommendation**

On June 12, 2019, if recommended for approval by the Economic Development and Housing Committee ("EDHC"), HNR staff would bring forward the items to City Council to

DATE May 31, 2019

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SUBJECT **City's Plan of Action to meet the U.S. Department of Housing and Urban  
Development Community Development Block Grant Funds Expenditure Deadline**

consider amending Resolution Nos. 19-0360, 19-0385, and 19-0387. The agenda items for the June 12, 2019, Council meeting are attached for your review. Staff recommends moving forward amendments to the Resolutions in order to assist the City in meeting its CDBG timeliness deadline as required by HUD and avoid risking the loss of CDBG funds.

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



**Michael A. Mendoza**  
Chief of Economic Development and Neighborhood Services

c: T.C. Broadnax, City Manager  
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  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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## **SUBJECT**

Authorize the first amendment to Resolution No.19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: **(1)** amend the development loan amount with 2400 Bryan Street, LLC or an affiliate (“2400 Bryan”) to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership funds for construction, **(2)** authorize a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors’ approval, in amount not to exceed \$7,026,943.00 in Community Development Block Grant (“CDBG”) funds, **(3)** allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, **(4)** allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No.19-0360 to be reimbursed the remaining loan and grant amounts and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position – No cost consideration to the City

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0360, approved on February 27, 2019 for the development of a mixed-used and mixed-income multifamily residential development to be located at 2400 Bryan Street. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development (“HUD”).

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with 2400 Bryan Street, LLC or its affiliate to develop a 15-story mixed-use development with approximately 10,000 square feet of retail space and a mixed-income multifamily rental residential with 217 units in downtown. The retail space will include an early childhood education or childcare facility. The development includes structured parking with approximately 312 spaces. Planned amenities for the development include a multipurpose room with fitness center and swimming pool. RMGM Bryan Street, LLC or RMGM Developers, LLC, both affiliates of Matthews Southwest, Inc. (MSW) will serve as the Developer for the development. MSW redeveloped the historic Old Dallas High

School in partnership with the City using TIF funds from Deep Ellum TIF District which is adjacent to the proposed development.

At this time, staff recommends reducing the CDBG allocations for the Estates at Shiloh and Palladium Redbird developments and increase the CDBG allocation and eliminate the HOME Investment Partnership Program (HOME) funds allocation for 2400 Bryan. The development will still receive up to \$7,026,943.00 in federal funds; however, instead of the original distribution of \$3,421,373.00 in CDBG funds and \$3,605,570.00 in HOME funds, the development will receive up to \$7,026,943 in CDBG funds. The funds will be used for acquisition, construction, and all other eligible associated hard and soft costs for development of the project. In order for the CDBG funds to be used as an eligible expense for acquisition, the DHFC must enter into a development loan agreement with the City, subject to DHFC Board approval. CDBG funds may be used for acquisition only if a nonprofit entity purchases the land. The DHFC will lease the land to 2400 Bryan through a long-term ground lease.

Per HUD regulations, the City cannot have more than 1.5 times its CDBG allocation in its U.S. Department of the Treasury line of credit 60 days prior to the end of the program year which is September 30. HUD will conduct a test “timeliness test” to determine if the City has more than 1.5 times its allocation on August 2, 2019. The City must draw \$7,517,016.00 including program income receipted to meet the timeliness test requirement. If the City continuously has more than 1.5 times its CDBG allocation, HUD can reduce funding allocations and withhold future grants.

In order to assist the City with meeting its CDBG timeliness deadline, staff recommends that the land for the 2400 Bryan Street development be purchased by the DHFC in advance of closing on equity and financing using the CDBG funds to cover a portion of the costs.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>Permanent Debt</b>	\$42,000,000
<b>Housing Tax Credits Equity</b>	\$14,850,000
<b>NOI Credit during Lease Up</b>	\$1,486,624
<b>Deferred Developer Fee</b>	\$5,410,175
<b>City CDBG Funds</b>	<b>\$7,026,943</b>
<b>2012 GO Bond Funds</b>	<b>\$973,057</b>
<b>Public Private Partnership Funds</b>	<b>\$6,000,000</b>
<b>Total</b>	<b>\$77,746,799</b>

<b>Proposed Uses</b>	<b>Costs</b>
<b>Acquisition</b>	\$9,675,000

<b>Construction Costs</b>	\$48,314,433
<b>Soft Costs &amp; Financing Fees</b>	\$9,286,090
<b>Developer Fees</b>	\$8,500,000
<b>Reserves</b>	\$1,971,277
<b>Total</b>	<b>\$77,746,800</b>

The City proposes to provide an amount not to exceed \$14,000,000.00 in gap financing for the construction of the development. The funds will be funded from several sources:

1. \$973,057.00 in 2012 General Obligation Bond (GO Bond Funds from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant to 2400 Bryan; and
2. \$7,026,943 in CDBG funds to be awarded as a repayable loan to DHFC; and
3. \$6,000,000.00 in Public/Private Partnership Funds (P/PP) to be awarded as a repayable loan to 2400 Bryan.

2400 Bryan and the DHFC may be reimbursed for costs associated with acquisition at closing of the City's loan and grant, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0360 approved on February 27, 2019 shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

**ESTIMATED SCHEDULE OF DEVELOPMENT**

Begin Construction            August 2019  
Complete Construction        December 2021

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No.18-0219.

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized (1) a development loan agreement with

2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); **(2)** a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and **(3)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

### **OWNER/DEVELOPER**

#### **2400 Bryan Street, LLC**

2400 Bryan Street GP, LLC is the general partner, a formed entity with The Community Project, BETCO Consulting, LLC, and RMGM Bryan Street, LLC (RMGM Bryan Street) as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

RMGM Bryan Street or RMGM Developers, LLC, both affiliates of Matthews Southwest Inc. will serve as the Developer.

Jack Matthews, President

City of Dallas Housing Finance Corporation

### **MAP**

Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation by Resolution No. 18-0704; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, on January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No. 18-0219; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and 2400 Bryan Street, LLC submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land, enter into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC; and

**WHEREAS**, on February 27, 2019, City Council authorized (1) a development loan agreement with 2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); (2) a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360; and

**WHEREAS**, the City desires to move forward with the 2400 Bryan Street development to complete the project; and

**Now, Therefore,**

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

amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0360, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon 2400 Bryan and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 8  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** T.C. Broadnax

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## **SUBJECT**

Authorize a first amendment to Resolution No.19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: **(1)** amend the development loan amount with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”) to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program (“HOME”) funds for construction, **(2)** authorize a development loan agreement with Palladium Redbird or the City of Dallas Housing Finance Corporation (“DHFC”) for acquisition of land and construction, subject to DHFC Board of Directors’ approval, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant (“CDBG”) funds, **(3)** allow the closing of the Palladium Redbird and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, **(4)** allow Palladium Redbird and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts, and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position – No cost consideration to the City

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0385, approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy while simultaneously meeting expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development.

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with Palladium Redbird, Ltd. to construct a new, 300-unit development with structured parking for approximately 450 spaces at the site of the former Red Bird/Southwest Center Mall. The development will include two 4-story residential buildings with elevators and, in addition to structured parking, planned amenities include a clubhouse with a fitness center, a business center, a club room, resort-style swimming pool, playground, pedestrian access to the Redbird Mall Area, and a dog park. Palladium Red Bird, Ltd. is an affiliate of Palladium USA International, Inc. (Palladium Redbird) and will serve as the developer for the development.

At this time, staff recommends reducing the CDBG allocation for Palladium Redbird while simultaneously increasing the HOME allocation for the project. The CDBG funds that are removed from the Palladium Redbird project will subsequently be allocated to the 2400 Bryan project in order for the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$6,271,576.00 in federal funds; however, instead of the original distribution of \$2,696,300.00 in CDBG funds and \$3,575,276.00 in HOME funds, the development will receive \$1,271,576.00 in CDBG funds and \$5,000,000.00 in HOME funds. The funds will be used for acquisition, construction, and all other eligible hard and soft costs for the development of the project.

The proposed total investment is \$60,595,572.00. The sources and uses are provided in the following chart:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan)</b>	\$34,957,118
<b>*DHFC as Issuer and induced on 1/25/2019</b>	
<b>Housing Tax Credits Equity</b>	\$15,094,860
<b>National Housing Trust Funds</b>	\$2,000,000
<b>Deferred Developer Fee</b>	\$243,598
<b>City CDBG Funds</b>	\$1,271,576
<b>City HOME Funds</b>	\$5,000,000
<b>2012 GO Bond Funds</b>	\$2,028,424
<b>Total</b>	<b>\$60,595,572</b>

<b>Use</b>	<b>Costs</b>
<b>Acquisition</b>	\$1,300,000
<b>Construction Costs</b>	\$42,236,497
<b>Soft Costs &amp; Financing Fees</b>	\$7,365,412
<b>Developer Fees</b>	\$7,082,936
<b>Reserves</b>	\$2,610,727
<b>Total</b>	<b>\$60,595,572</b>

The City proposes to provide an amount not to exceed \$8,300,000.00 in gap financing for the construction of the development from three sources:

1. \$2,028,424.00 in 2012 General Obligation Bond Funds (GO Bond) from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant to Palladium Redbird;
2. \$1,271,576.00 in Community Development Block Grant (CDBG) funds to be awarded as a repayable loan to Palladium Redbird or DHFC; and
3. \$5,000,000.00 in HOME Investment Partnerships Program funds (HOME) to be awarded as a repayable loan to Palladium Redbird.

Staff recommends entering to a development loan agreement with the DHFC only if CDBG funds are needed to acquire the land for the development. Additionally, staff recommends allowing the City's loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure deadline, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0385 approved on February 27, 2019 shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute the amendment to the development loan and conditional grant agreement related to the development.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    October 2019  
Construction Complete     December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized **(1)** a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); **(2)** a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and **(3)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with Palladium Redbird, Ltd. by Resolution No. 19-0385.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

**OWNER/DEVELOPER**

**Palladium Redbird, Ltd.**

Palladium Redbird GP, LLC is the general partner, a formed entity with members affiliated with Palladium Redbird (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

Palladium Redbird and DHFC will serve as co-Developer.

Thomas Huth, President of Palladium Redbird

City of Dallas Housing Finance Corporation

**MAP**

Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA); and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and Palladium Redbird, Ltd. submitted an application for gap financing and received a fundable score for Palladium Redbird; and

**WHEREAS**, the proposed development is part of the overall renovation and redevelopment of a shopping mall located at 3662 W. Camp Wisdom Road known as Red Mall which received City incentives; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd.; and

**WHEREAS**, the proposed development is located in the Red Bird Redevelopment target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development providing 90 market rate and 210 units to households earning 60% or below of Area Median Income and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, on February 27, 2019, City Council authorized (1) a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); (2) a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground

lease with Palladium Redbird, Ltd. by Resolution No. 19-0385; and

**WHEREAS**, the City desires to move forward with the Palladium Redbird development to complete the project; and

**NOW, THEREFORE,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”), for the construction of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program funds, as approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount.

**SECTION 2.** That the City Manager is hereby authorized to execute a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), subject to DHFC Board of Directors’ approval or Palladium Redbird for acquisition and construction of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant, approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount. Whether the development loan agreement is executed with the DHFC or Palladium Redbird is within the sole discretion of the City Manager.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Palladium Redbird, Ltd., Vendor VC 100163, and to the Dallas Housing Finance Corporation, Vendor VC 255006, as the City receives and reviews reimbursement requests and related supporting documentation submitted by Palladium Redbird, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$8,300,000.00 from funding sources listed and described below:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>PROGRAM NUMBER</u>	<u>AMOUNT</u>
18R1	HOU	B17B	3015	NOFA18REDBIRD	\$1,271,576
HM17	HOU	275B	3015	NOFA18REDBIRD	\$1,424,724
HM18	HOU	823C	3015	NOFA18REDBIRD	\$2,091,239
HM13	HOU	310F	3015	NOFA18REDBIRD	\$149,064
HM14	HOU	489G	3015	NOFA18REDBIRD	\$689,027
HM15	HOU	644H	3015	NOFA18REDBIRD	\$160,990
HM16	HOU	545A	3015	NOFA18REDBIRD	\$484,956

2U53	HOU	W362	3016	NOFA18REDBIRD	\$139,051
3U53	HOU	W362	3016	NOFA18REDBIRD	\$419,373
4U53	HOU	W362	4599	NOFA18REDBIRD	\$1,470,000

**SECTION 4.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and HOME for the amount of the loan.

**SECTION 5.** That the City Manager, in his or her sole discretion, is authorized to close on the Palladium Redbird and DHFC loans and grants prior to closing on the equity and all other financing for the development.

**SECTION 6.** That Palladium Redbird and DHFC may be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0385, approved on February 27, 2019, to be reimbursed the remaining loan and grant amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0385, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon Palladium Redbird and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 9  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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## **SUBJECT**

Authorize a first amendment to Resolution No.19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: **(1)** amend the funding source for the development loan amount with TX Casa View 2018, Ltd. (“TCV”) of \$3,801,000.00 from \$3,801,000.00 in Community Development Block Grant (“CDBG”) to \$1,620,154.00 in CDBG funds and \$2,180,846.00 HOME Investment Partnership Program (“HOME”) funds, and **(2)** allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development. – No cost consideration to the City.

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No.19-0387, previously approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development (“HUD”).

On February 27, 2019, City Council authorized a contract with TCV to rehabilitate all 40 existing units and construct 224 new units for seniors at the Estates at Shiloh Apartments. The 264 units will be dispersed equitably by bedroom size and amongst income bands throughout the development. The proposed development will have 4-three story buildings with ventilated corridors and accessible elevators. Planned amenities include renovation of the existing 9,000 square foot community center, swimming pool, community garden, landscaping and lighted sidewalks connecting buildings, and a dog park. TCV is an affiliate of Generation Housing Partners, LLC and Hill Tide Development, LLC.

At this time, staff recommends reducing the CDBG fund allocation for the Estates at Shiloh in order to increase the CDBG fund allocation for 2400 Bryan, a mixed-income housing development authorized by Resolution 19-0360 on February 27, 2019. Reducing the allocation of CDBG funds for the Estates at Shiloh will allow the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$3,801,000.00 in federal funds; however, instead of the original distribution of \$3,801,000.00 in CDBG funds, the development will receive up to \$1,620,154.00 in CDBG funds and \$2,180,846.00 in HOME funds. The funds will be used for acquisition,

construction, and all other eligible associated hard and soft costs for development of the project.

Total development costs are anticipated to be approximately \$38,435,465.00 which include the acquisition price for the land and existing improvements. The hard cost rehabilitation/construction budget is anticipated to be \$25,103,247.00 (\$22,628,447.00 new construction and \$2,475,200.00 rehab) which is \$101,019.85 per unit and \$61,880.00 per unit respectively. The total rehabilitation/construction amount includes a 3% contingency and contractor overhead.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan)</b>	\$19,650,000
<b>*DHFC as Issuer and induced on 1/25/2019</b>	(*\$20,000,000)
<b>Housing Tax Credits Equity</b>	\$12,546,810
<b>Deferred Developer Fee</b>	\$2,238,655
<b>City CDBG Funds</b>	\$1,620,154
<b>City HOME Funds</b>	\$2,180,846
<b>2012 GO Bond Funds</b>	\$199,000
<b>Total</b>	<b>\$38,435,465</b>

<b>Proposed Use</b>	<b>Costs</b>
<b>Acquisition</b>	\$3,400,000
<b>Rehabilitation &amp; Construction Costs</b>	\$25,103,247
<b>Soft Costs &amp; Financing Fees</b>	\$4,074,624
<b>Developer Fees</b>	\$4,521,806
<b>Reserves</b>	\$1,335,788
<b>Total</b>	<b>\$38,435,465</b>

The City proposes to provide an amount not to exceed \$4,000,000.00 in gap financing for the construction of the development. The funds will be funded from three sources:

1. \$199,000.00 in 2012 General Obligation Bond Funds (GO Bond) from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant;
2. \$1,620,154.00 in Community Development Block Grant (CDBG) funds to be awarded as a repayable loan; and
3. \$2,180,846.00 HOME Investment Partnership Program (HOME) funds to be awarded as a repayable loan.

Staff recommends allowing the City's loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure

deadline. All of the terms and conditions from the original Resolution No. 19-0387 approved on February 27, 2019 still remain in effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    November 2019  
Construction Complete     December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with TX Casa View 2018, Ltd. and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized **(1)** that it has no objection as to TCV's application to TDHCA's 2019 4% Non-Competitive HTC; **(2)** a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000 (Community Development Block Grant Funds) conditioned upon TCV receiving a 2019 4% Housing Tax Credit award; **(3)** a conditional grant agreement with TCV or an affiliate thereof for the development of a mixed-income multifamily residential development to be located at 2649 Centerville Road in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds; and **(4)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with TCV by Resolution No. 19-0387.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

### **OWNER/DEVELOPER**

#### **TX Casa View 2018, Ltd.**

TX Casa View 2018 GP, LLC is the general partner, a formed entity with GHP and HTD as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

GHP and HTD will serve as the Developer.

Adrian Iglesias, President of GHP  
Chris Applequist, Vice-President of GHP

**MAP**  
Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA); and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and TX Casa View 2018, Ltd. submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd.; and

**WHEREAS**, the proposed development is located in the Casa View Stabilization target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development for seniors providing at least 239 units to households earning 60% or below of Area Median Income and the remaining units as market rate and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, TX Casa View 2018, Ltd. submitted an application to TDHCA for 2019 4% Non-Competitive HTC for the proposed acquisition of the land and existing improvements, the rehabilitation of existing units, and the construction of new improvements for the development of Estates at Shiloh Apartments; and

**WHEREAS**, on February 27, 2019, City Council confirmed **(1)** that it has no objection as to TX Casa View 2018, Ltd.'s application to TDHCA's 2019 4% Non-Competitive HTC; **(2)** authorized, conditioned upon TX Casa View 2018, Ltd. receiving a 2019 4% Housing Tax Credit award, a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000 (Community Development Block Grant Funds); **(3)** a conditional grant agreement with TX Casa View 2018, Ltd. or an affiliate thereof for the development of a mixed-income multifamily residential development to be located at 2649

June 12, 2019

Centerville Road in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds; and (4) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with TX Casa View 2018, Ltd. by Resolution No. 19-0387.

**WHEREAS**, the City desires to move forward with the Estates at Shiloh development to complete the project; and

**Now, Therefore,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with TX Casa View 2018, Ltd or an affiliate (TCV) thereof in an amount not to exceed \$3,801,000.00 comprised of \$1,620,154.00 Community Development Block Grant (CDBG) funds and \$2,180,846.00 HOME Investment Partnership Program (HOME) funds, approved as to form by the City Attorney.

**Section 2.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to TX Casa View 2018, Ltd., Vendor No. VS99112, as the City receives and reviews reimbursement requests and related supporting documentation submitted by TX Casa View 2018, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$4,000,000.00 from funding sources listed and described below:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>PROGRAM NUMBER</u>	<u>AMOUNT</u>
18R1	HOU	B17C	3015	NOFA18SHILO	\$1,620,154
HM17	HOU	275B	3015	NOFA18SHILO	\$2,180,846
2U53	HOU	W363	3016	NOFA18SHILO	\$98,519
3U53	HOU	W363	3016	NOFA18SHILO	\$96,458
4U53	HOU	W363	3016	NOFA18SHILO	\$4,023

**SECTION 3.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and P/PP for the amount of the loan.

**SECTION 4.** That the City Manager, in his or her sole discretion, is authorized to close on the TCV loan and grant prior to closing on the equity and all other financing for the development

**SECTION 5.** That all other terms and conditions contained in Resolution No. 19-0387, previously approved on February 27, 2019, shall remain unchanged and in full force and effect.

**SECTION 6.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the loan documents are duly approved by all parties and executed.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

# Memorandum



CITY OF DALLAS

DATE May 31, 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 **Dallas Heritage Village Restoration Project: Cedars TIF District**

## Summary

Dallas County Heritage Society, Inc. (DCHS) has requested Cedars TIF District funding in an amount not to exceed \$650,000.00 to support a restoration project at Dallas Heritage Village located at 1515 S. Harwood Street in the Cedars Tax Increment Finance (TIF) District.

## Background

Dallas County Heritage Society, Inc. (DCHS) currently manages the Dallas Heritage Village located at 1515 S. Harwood Street in the Cedars Tax Increment Finance (TIF) District. In October 2018, the Dallas Park and Recreation Board approved a Dallas Heritage Village Master Plan for the City-owned park. The approved master plan seeks to enhance the visitor/customer experience at the park.

In support of the Master Plan, DCHS has requested TIF funding assistance for a restoration project on Dallas Heritage Village's campus. The project includes restoration of two homes built circa 1900 – the Park Avenue House and the Rall House. The total project cost is approximately \$1,200,000.00, and the requested \$650,000.00 in Cedars TIF District funding would be used to offset construction costs to restore the Park Avenue House only. Restoration of the Rall House, technology upgrades, furnishing and landscaping for both homes, and a maintenance endowment will be funded by DCHS through fundraising efforts. DCHS must provide proof of project funds prior to payment of the Cedars TIF District funding. The Cedars TIF District funding will be provided in the form of a grant and will be disbursed to DCHS on a reimbursement basis at regular milestones (but not more frequently than monthly) for costs and expenses incurred for eligible expenditures.

DCHS envisions using the renovated homes for staff offices and leasable co-working space for non-profit organizations in the Cedars area. As a condition of the Cedars TIF District funding, 90 percent of the revenue generated by the rental of the Park Avenue house must be used for structural repairs to Dallas Heritage Village buildings. Construction of the project must begin by May 2020, allowing a year of fundraising for the DCHS's portion of the project costs.

Dallas Heritage Village Restoration Project  
May 31, 2019

The proposed project supports the following objectives of the Cedars TIF District Project Plan: (1) support the growth and success of activities at the Dallas Convention Center, Dallas Heritage Village, and Farmers Market, (2) secure growth and investment in the district, (3) encourage economic revitalization through hotel, for-sale and rental housing, retail and office development and (4) encourage preservation of historic buildings.

Alternatives

City Council may choose to deny DCHS's request for Cedars TIF District funding, in which case DCHS would have to raise the funds for the entire cost of the Project. If sufficient funds are not raised to complete the Project, the Park Avenue House and Rall House will continue to deteriorate and detract from the visitor's experience at Dallas Heritage Village.

Financing

Cost consideration to the City – Cedars TIF District Funds - \$650,000.00 (subject to future appropriations from tax increment)

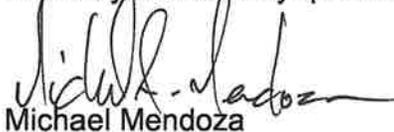
Coordination

Staff coordinated with DCHS, City Attorney's Office, Planning and Urban Design, Cedars TIF District Board of Directors, Sustainable Development and Construction Department, Office of Cultural Affairs, Park and Recreation Department and the Park and Recreation Board.

Recommendation

Staff and the Cedars TIF District Board of Directors recommend authorization of a development agreement with Dallas County Heritage Society Inc. in an amount not to exceed \$650,000.00, payable from future Cedars TIF District Funds, to support restoration of the Park Avenue House and Rall House to be used as co-working office space at the Dallas Heritage Village located at 1515 S. Harwood Street.

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



Michael Mendoza

Chief of Economic Development & Neighborhood Services

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swan, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor 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  
M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors

Dallas Heritage Village Restoration Project  
May 31, 2019



Architexas CREATING CONSCIOUS

Project: Park Avenue House  
Location: Dallas Heritage Village  
Phase: TRP Review  
Date: March 6, 2018

“Our Product is Service”  
Empathy | Ethics | Excellence | Equity

# Memorandum



DATE May 31, 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 **New Hawk Signal on Singleton Boulevard**

## Summary

Use of 2017 Bond Funds (Proposition I) in an amount not to exceed \$250,000.000 for design, construction and installation of a new Hawk traffic signal on Singleton Boulevard between McPherson Street and Gulden Lane.

## Background

A pedestrian signal analysis was conducted on the existing mid-block crosswalk on Singleton Boulevard, between McPherson Street and Gulden Lane. The purpose of the analysis was to determine if the installation of a pedestrian signal is warranted at the crosswalk. The analysis concluded existing pedestrian and vehicular traffic volumes during the 8 PM to 9 PM peak hour on Saturdays meet minimum traffic volumes to justify the installation of a pedestrian signal on Singleton Boulevard.

This action will authorize the appropriation and funding required to construct one new traffic signal (a Hawk signal) at the crosswalk on Singleton Boulevard, between McPherson Street and Gulden Lane. Kimley-Horn and Associates has an existing Engineering Services Contract # TRN-2017-00001726 (Resolution 17-0931), to design traffic signal installation at various locations in the city. Department of Transportation staff will later submit a request for approval of a Supplemental Agreement to the Kimley-Horn and Associates services contract to design the new Hawk signal at the location. Durable Specialties, Inc. has a Construction Services Contract # TRN-2018-00008423 (Resolution 18-1787), with the city to construct traffic signal installations on a work order basis at various locations in the city. Department of Transportation staff will later issue a work order for Durable Specialties, Inc. to install the new Hawk signal at the location. City forces will provide the labor for preparation of the cabinet and signal timing. Additionally, the City's Department of Transportation will manage the project. Design of the signal will begin in June of this year with construction estimated to complete in May of 2020.

## Financing

Cost Consideration to the City – 2017 Bond Funds – Proposition I (Economic Development and Housing)

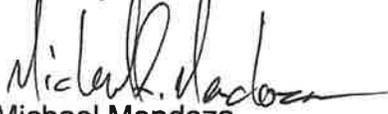
Coordination

Staff coordinated with the Department of Transportation, City Attorney's Office, Office of Budget, Councilman Narvaez's office.

Recommendation

Staff recommends the Economic Development and Housing Committee move this item forward to the June 12, 2019, City Council meeting for consideration.

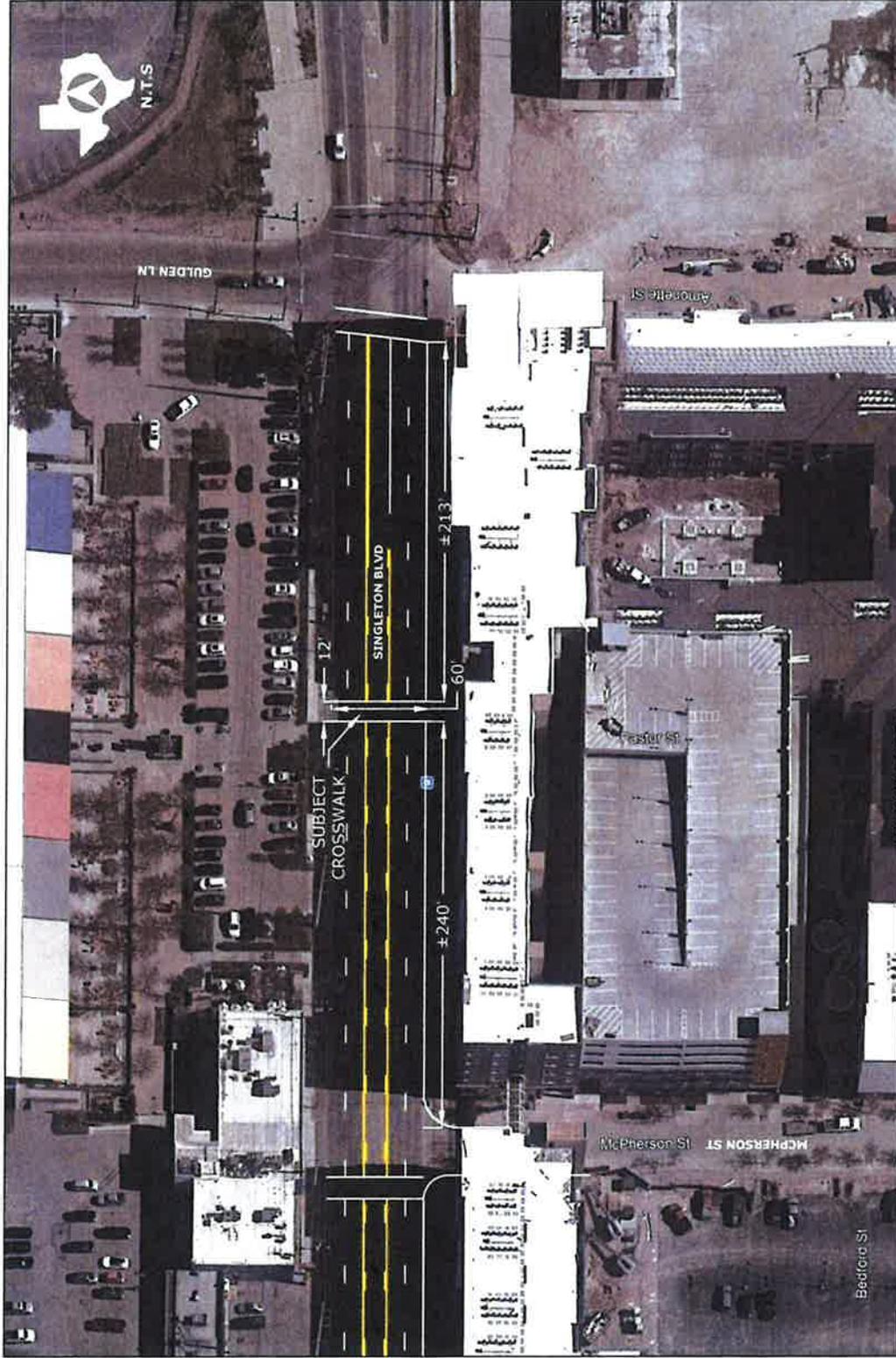
Should you have any questions, please contact me at (214) 671-5257.



Michael Mendoza

Chief of Economic Development & Neighborhood Services

- |  |   |
|--|---|
| cc: Chris Caso, City Attorney (Interim)                    | Jon Fortune, Assistant City Manager                                       |
| Carol A. Smith, City Auditor (Interim)                     | Joey Zapata, Assistant City Manager                                       |
| Biliera Johnson, City Secretary                            | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Preston Robinson, Administrative Judge                     | M. Elizabeth Reich, Chief Financial Officer                               |
| Kimberly Bizer Tolbert, Chief of Staff to the City Manager | Laila Aleqresh, Chief Innovation Officer                                  |
| Majed A. Al-Ghafry, Assistant City Manager                 | Directors and Assistant Directors   |



 <b>Deshazo Group</b> TRAFFIC & TRANSPORTATION ENGINEERS 400 S. Houston Street, Ste. 300 Dallas, Texas 75202 (214) 748-6740	<b>Crosswalk Location on Singleton Boulevard</b> Hybrid Beacon on Singleton Boulevard in Dallas, TX		PROJECT#: 17089	EXHIBIT <b>1</b>
				DATE: OCT 2017

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 Empathy | Ethics | Excellence | Equity

# Memorandum



DATE May 31, 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 **Reauthorization of Public/Private Partnership Program Guidelines and Criteria**

On June 12, 2019, City Council will consider extending and amending the current Public/Private Partnership Program Guidelines and Criteria for the period of July 1, 2019 through December 31, 2019.

## Summary

The Property Redevelopment and Tax Abatement Act (Texas Tax Code, Chapter 312) requires that any city desiring to enter into tax abatement agreements as an incentive to foster private investment must first establish guidelines and criteria governing tax abatement agreements and must pass a resolution stating that it elects to be eligible to participate in a tax abatement agreement.

The Dallas City Council approved the current Public/Private Partnership Program Guidelines and Criteria ("Guidelines") on December 12, 2018 pursuant to Resolution No. 18-1861. The current Guidelines are effective through June 30, 2019.

The Office of Economic Development is developing a new strategic plan which will inform the development of new policies to amend or replace the Guidelines. While that process is ongoing, staff recommends extending the current Guidelines for the remainder of the fiscal year to allow sufficient time for completion of the strategic plan and drafting, review, and approval of new Guidelines. Additionally, staff recommends amending the current Guidelines to remove outdated language in the general obligation bond funding section.

## Financing

No cost consideration to the City for this request.

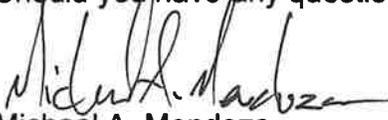
## Coordination

Office of Economic Development coordinated with the City Attorney's Office.

## Recommendation

Staff recommends approval of an item authorizing to extend and amend the current Public/Private Partnership Program Guidelines and Criteria for the period of July 1, 2019 through December 31, 2019.

Should you have any questions, please contact me at (214) 670-1696.



Michael A. Mendoza

Chief of Economic Development & Neighborhood Services

- |  |   |
|--|---|
| cc: Chris Caso, City Attorney (Interim)                    | Joey Zapata, Assistant City Manager                                       |
| Billerae Johnson, City Secretary                           | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Preston Robinson, Administrative Judge                     | M. Elizabeth Reich, Chief Financial Officer                               |
| Kimberly Bizar Tolbert, Chief of Staff to the City Manager | Laila Alequresh, Chief Innovation Officer                                 |
| Majed A. Al-Ghafry, Assistant City Manager                 | Carol Smith, City Auditor (Interim)                                       |
| Jon Fortune, Assistant City Manager                        | Directors and Assistant Directors   |

### **City of Dallas Public/Private Partnership Programs**

It is the purpose of the following programs to provide assistance only for projects where such assistance is necessary to stimulate private investment and job creation. Accordingly, these programs are available when agreements between the City and private parties that are not tax- exempt are approved by City Council prior to private investment occurring. Projects seeking economic incentives must provide written assurance that 'but for' the incentives sought, the proposed project will not occur, or would otherwise be substantially altered so that the economic returns or other associated public purpose secured by the City's incentives would be reduced. Projects occurring in Target Areas are provided special consideration.

The information contained herein shall not be construed as implying or suggesting that the City of Dallas is offering or is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis. The source of City funding for a particular incentive may require or impose certain limitations on the types of projects for which those funds may be used, which are not described herein. Pawnshops, sexually oriented businesses, bars, truck stops, and truck dealerships are excluded from consideration for incentives provided under this program.

### **Eligibility Requirements**

The City has established targeted project areas which set minimum project requirements in order to be considered for incentives:

- **Target Areas:** Projects must create/retain 25 jobs or provide \$1 million of investment;
- **Non-target Areas:** Projects must create/retain 100 jobs or provide \$5 million of investment; and
- **Non-Conforming Projects:** Projects not meeting these requirements that nevertheless significantly advance the public purpose of economic development will be considered on a case-by-case basis.

### **Tax Abatement**

Temporary abatement of either real estate or personal property taxes. Recipient firms must meet primary considerations of capital improvements and job creation/retention. City staff may consider secondary considerations such as Dallas resident employment, efforts to exceed minimum environmental regulations, wage rates, community activities, target industry projects, and M/WBE participation when negotiating this incentive. A firm's tax abatement percentage will be reduced by 25 percent for any single year of the tax abatement term in which secondary considerations included in the agreement are not met unless an alternative method is prescribed by City Council in a project specific resolution. Real property tax abatement is not available in TIF Districts. In limited cases, projects may be considered for a combination of both real and personal property tax abatement when the combined amount does not exceed 90 percent of the City taxes on total new improvement value. All tax abatements must begin by January 1 of the second calendar year following City Council authorization unless otherwise specified.

#### **Abatement Benefits:**

- **Target Areas:** Real property tax abatement up to 90 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;
- **Non-Target Areas:** Real property tax abatement up to 50 percent for 10 years and/or a business personal property tax abatement of up to 50 percent for five years;
- **Non-Conforming Projects:** Projects not meeting these requirements that nevertheless significantly advance the public purpose of economic development will be considered on a case-by-case basis.

### **Economic Development Chapter 380 Grant Program**

Companies considering a relocation/expansion or new commercial development may be eligible for an

economic development grant. Grants will be considered on a case-by-case basis based specifics such as project type, location, design, and fiscal impact to the City. Companies will be required to meet eligibility requirements of the Public/Private Partnership Program. Pursuant to this program the City may administer and accept resources from other political subdivision of the state to support this program, and may administer and accept resources from the Federal government to support developments. Bond funding utilized through the program may be subject to certain limitations in use.

### **Economic Development GO Bond Program**

General Obligation Bond funding may be used as described in this paragraph for private commercial, industrial, retail, residential, and mixed-use development that promotes economic development. Funding may be provided as a catalyst to promote private economic development and may be used for planning, designing, extending, constructing and acquiring land for public streets, utilities and other related infrastructure facilities or uses consistent with this purpose and the bond proposition approved by the voters.

Private developments may be eligible for economic development grants and loans pursuant to Chapter 380 of the Texas Local Government Code. Grants and loans will be considered for infrastructure improvements and/or land acquisition consistent with the scope of funding and other uses described above. Grants or loans will be considered on a case-by-case basis subject to funding limitations and development agreements approved by City Council, which agreements will contain appropriate conditions, safeguards and benchmarks to ensure that the public purpose of economic development will be carried out.

Funding in support of mixed-use or residential development, including the acquisition of improved and unimproved properties and for the cost of demolition of existing structures for such projects are also subject to the City of Dallas Housing Policy, which requires a portion of residential units to be affordable.

### **Target Industry Projects**

Target Industry projects are provided special consideration for economic incentives and are generally defined as follows: Brownfields or recycling, information technology, building materials and furnishings, company headquarters, logistics, telecommunications, transportation manufacturing and assembly, film/television/media, advanced instruments and food processing/distribution. The City is also targeting high quality grocery store projects in underserved areas of the City. Due to the temporary nature of film/television production, projects in this industry are not required to meet minimum job or investment eligibility established for the Public/Private Partnership Program. Rather, these projects are considered on a case-by-case basis with consideration given to the positive economic returns projects bring to the City. Target Industry projects must be confirmed in advance by the City in order to receive consideration under this designation.

### **Non-Conforming Projects**

Non-Conforming projects are considered on a case-by-case basis for high impact projects, unique developments, and competitive situations where projects may receive competing offers of incentives. These projects require a simple majority vote of City Council in Target Areas and a 3/4 vote of City Council in Non-Target Areas. High Impact Project - Projects creating/retaining a minimum of 500 jobs with substantial capital investment. In addition, this status may be granted to major projects by Fortune 500, Manufacturers 400, or Global 500 listed firms. A mixed-use or residential development considered for support as a non-conforming project requires special circumstances and must ensure that a minimum of 20% of the residential units in the development meet affordable housing or mixed-income housing requirements for the location. Commercial aspects of predominately residential mixed-use projects providing affordable housing in "areas of opportunity" in collaboration with the Housing Department will be considered.

**Competitive and Retention Projects**

In special cases, companies receiving competing offers of incentives or those currently located in the city of Dallas considering a relocation/expansion are eligible to apply for financial incentives with negotiable terms. Existing firms must expand job base by 25 percent to be eligible for consideration. Incentives may be offered in specific cases to 'match other offers.' Companies may be required to demonstrate competing cities, offers, land/lease costs, taxes at current rates, utility rates, relocation costs, other significant costs and 'gap' to be filled, etc.

**Other Sources of Financial Assistance**

Public/Private Partnership Program grants and abatements may be used in combination with other sources of federal, state, or City funds where necessary to achieve the public purpose advanced by a project. The City is willing to partner with special entities, such as Local Government Corporations, and special districts to provide an advantageous structure for projects that advance economic development. Such entities and districts may issue revenue bonds as allowed by state law to finance projects.

**Tax Increment Finance Districts**

Special districts funding public improvements (not services) with increased tax revenues resulting from new private development. Tax rates are the same as elsewhere in the City and no added cost to private parties is incurred.

**Public Improvement Districts**

Special districts created by petition to privately fund public improvements or special supplemental services over and above those provided by City, when such services are supportive of related City investments in capital improvements.

**Neighborhood Commercial/Retail Redevelopment Grant Program**

This Program is intended to provide financial assistance to existing retail shopping centers and other retail/commercial facilities within Target Areas that are at least 15 years old for improvements and/or redevelopment which will positively impact surrounding neighborhoods and residents. Contemplated improvements must improve the aesthetics, design, or architectural appeal of the property and may include enhanced landscaping, lighting, pedestrian and/or parking improvements, new signage and facades, and major renovations to the facility among other items. Each project is considered on a case by case basis. City financial participation is on a matching and reimbursement basis. Phasing is permitted. Minimum total project investment is \$250,000 and potential grants are subject to funding availability. An agreement must be in place with the City prior to work commencing.

**Small Business & Adaptive Reuse Incentives**

The City of Dallas is committed to supporting growth of small businesses and fostering adaptive reuse of commercial buildings. Additional programs can be flexibly developed and linked to this policy as approved by the City Council.

**City of Dallas Regional Center - EB 5**

The City of Dallas Regional Center (CDRC) is dedicated to assisting individuals and their families through the EB-5 immigration process via investment into businesses and development projects located within the Dallas city limits. The CDRC offers a variety of investments to foreign investors that meet or exceed requirements and offer investors features unique to the EB-5 community. Minimum foreign investment is \$500,000 in Targeted Employment Areas or \$1M in other areas. All opportunities supported by the CDRC must provide 10 full-time jobs (directly or indirectly) per investor.

**New Market Tax Credits**

The City of Dallas participates in the New Market Tax Credit Program (NMTC), a federal program operated

by the Department of Treasury, that provides opportunities for new development in traditionally underserved areas. The program provides NMTC investors with a 39% federal tax credit payable over seven years. These investments are partnered with additional funds for businesses and real estate development in Low Income Neighborhoods.

#### **Foreign Trade Zone**

Allows duty-free importing of foreign-made components into the Zone, where they may be assembled, manufactured, processed or packaged. Duties are charged only when products are subsequently distributed into the U.S. market - if they are shipped to international markets, no duty is levied.

#### **State Incentives**

The City of Dallas will facilitate applications for assistance from State programs including Enterprise Zone Projects, Texas Enterprise Fund, and the Texas Emerging Technology Fund.

To obtain more detail on these programs, or to inquire regarding other assistance, contact: Office of Economic Development, Dallas City Hall, Room 5CS, Dallas, Texas 75201, Phone: (214) 670-1685, Fax: (214) 670-0158.

# Memorandum



DATE May 31, 2019

CITY OF DALLAS

The Honorable Members of the Economic Development and Housing Committee:

TO 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 **South Dallas Fair Park Opportunity Fund Grants to CitySquare and St. Philips**

This memo is for informational purposes to update you on the implementation of Human Development grants program as authorized by the South Dallas Fair Park Opportunity Fund (SDFPOF) Program Statement approved by Council on June 27, 2018 as Resolution No.18-0922.

In conformance with the Program Statement, the Office of Economic Development released a Notice of Funding Availability (NOFA) on February 1, 2019 to solicit Human Development projects. A maximum of \$100,000 was available under the NOFA. Four information sessions were held at the Martin Luther King Jr. Library, with approximately 40 people in attendance. Applications were due on March 18, 2019 and two applications were received: one from CitySquare for its Community Clinic located at 2835 Al Lipscomb Way, Dallas, Texas 75215 and one from St. Philips School and Community Center for its Our Community Pantry program located at 1502 Pennsylvania Ave, Dallas, Texas 75215.

A review committee of five staff reviewed each application and scored the responses on a 100-point scale. CitySquare scored an average of 90.4 points and St. Philips scored 89.8. Under the scoring criteria provided in the NOFA, all projects scoring more than 80 points were presented to the South Dallas Fair Park Opportunity Fund Advisory Board for further consideration.

The Opportunity Fund Advisory Board met on April 24, 2019, and recommended approval of a \$50,000 grant to CitySquare for the Community Clinic and a \$50,000 grant to St. Philips for Our Community Pantry. A summary of each grant proposal is below.

**CitySquare** requested \$100,000 for its Community Clinic, which currently serves approximately 2500 uninsured patients annually. The request addresses the Opportunity Fund goal to "Improve Health Outcomes." The grant would support expansion of services by hiring a community health nurse to promote prevention over treatment and to educate neighbor and clinic patients through community-based intervention programs which identify and correct multiple health issues.

The anticipated program outcomes are as follows:

- 1,300 social needs screenings resulting in 900 community referrals for additional services
- Expansion of the Healthy Heart Healthy Hair program, an initiative that trains local barbers to check neighbors' blood pressure during their haircuts to aid in screening and prevention of high blood pressure, with 60 referrals to the Community Clinic
- 200 additional flu shots

The total project budget for the Community Clinic is \$517,170. The \$50,000 grant would pay for staffing, transportation, flu shot program expansion, and laptops for the community health worker and medical assistant. A third-party matching grant of \$100,000 from Baylor Scott and White will pay for physicians' salaries. The remaining program expenses are paid from CitySquare general operating funds.

**St. Philips School and Community Center** requested \$100,000 to support its Our Community Pantry program, which operates as a Client Choice pantry, meaning that clients select their own food. The pantry distributes 700,000 pounds of food annually. The St. Philips grant request also addresses the Opportunity Fund goal to "Improve Health Outcomes." St. Philips opened Our Community Pantry in 2014 in partnership with North Texas Food Bank (NTFB), In the City for Good, and the City of Dallas. The new facility replaced a small shared space where clients lined up outside the building to receive pre-bagged canned goods and very little fresh food twice a month. The new pantry offers an experience much like shopping at the grocery store.

Our Community Pantry is currently operating in partnership with the North Texas Food Bank, but that contract support for operations is expiring. The grant will support transitioning Our Community Pantry to a St. Philip's School and Community Center program as the contract with NTFB expires.

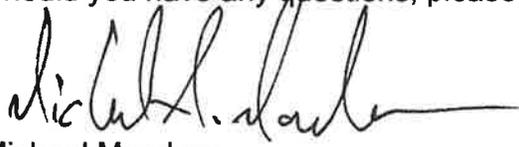
The anticipated Program Outcomes are as follows:

- 90% of clients become food secure in two years
- Increase volunteer base by 20% by 2020
- Increase hours of operations
- Distribute up to 800,000 pounds of food annually
- Serve 700 unduplicated families

The total program budget is \$250,000. The \$50,000 grant would pay for salaries, maintenance and security, personnel, food and supplies, technology, and internet service. A third-party matching grant of \$150,000 has been secured from Hirsch Family Foundation and is paid in \$50,000 installments. The grant was paid in November 2018 and will be paid in 2019 and 2020.

No council action is required, as both grants will be processed via administrative action.

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



**Michael Mendoza**

**Chief of Economic Development and Neighborhood Services**

c: Honorable Mayor and Members of the City Council  
T. C. Broadnax, City Manager  
Chris Caso, City Attorney (I)  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

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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

# Memorandum



CITY OF DALLAS

DATE May 31, 2019

TO The 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 **Virgin Hotel Infrastructure Project: Design District TIF District**

## Summary

On June 12, 2019, City Council will be asked to consider authorizing a development agreement with DD Dunhill Hotel, LLC (“Developer”) and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design District TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project (“Project”) on and adjacent to property currently addressed at 1909 Hi Line Drive in Tax Increment Financing Reinvestment Zone Number Eight (Design District TIF District) - Not to exceed \$3,622,885.00 - Financing: Design District TIF District Funds (subject to future appropriations from tax increments)

## Background

Staff has been working with DD Dunhill Hotel, LLC (“Developer”) on a request for TIF funding for public infrastructure improvements that provide some streetscape enhancements adjacent to the Virgin Hotel development while primarily facilitating extended streetscape improvements along Hi Line Drive to connect to the Trinity Strand Trail of district-wide benefit (the “Project”) as shown in **Exhibit A1-A3**.

The Virgin Hotel will consist of approximately 268 hotel rooms in a 16-story high density urban style project with structured parking (approximately 188 spaces) on a one-acre parcel currently addressed at 1909 Hi Line Drive. Investment in the project is estimated to exceed \$107 million.

This development is the first new hotel in the Design District TIF District on a site that fits with other new development but at a higher density. The project was reviewed by the City’s Urban Design Peer Review Panel (UDPRP) in March 2017. One specific suggestion of the UDPRP was to consider, if TIF funding were available, extending streetscape improvements to the end of Hi Line Drive to “complete the street” leading to the Trinity Strand trailhead.

Staff has also been in discussions with the Friends of the Trinity Strand Trail and the City’s Park Department on a potential pedestrian bridge that would connect from the Hi Line Drive trailhead across the meanders to the Market Center Boulevard area. A future district-wide TIF funding request may be considered once the project scope is further defined. The streetscape improvements proposed with the Virgin Hotel Infrastructure Project will set the stage for this future trail connection.

On May 24, 2019, the Design District TIF District Board of Directors reviewed the proposed Project and recommended that, upon completion of the Project and satisfaction of all Project requirements, the Project shall be eligible for a total Tax Increment Financing (TIF) subsidy ("TIF Subsidy") in an amount not to exceed \$3,622,885.00 from future Design District TIF District revenues to be dedicated to reimbursing public infrastructure and streetscape improvement costs. No portion of the TIF Subsidy will be used as gap financing for the vertical construction of the Virgin Hotel itself.

The recommended TIF-funded improvements include a portion of Phase I improvements adjacent to the Virgin Hotel and Phase II, streetscape and utility burial improvements extending beyond the Project along Hi Line Drive west to the Trinity Strand Trail head as recommended by the UDPRP. These improvements would complete the streetscape connection to the trail.

Phase I: \$1,080,085

- a) Paving and streetscape improvements - \$705,085 along Hi Line Drive and Turtle Creek Boulevard in the public right-of-way adjacent to the Virgin Hotel.
- b) Utility burial (partial reimbursement of total cost incurred) - \$375,000 along Hi Line Drive and Turtle Creek Boulevard in the public right-of-way adjacent to the Virgin Hotel.

Phase II: \$2,542,800 for extended public improvements

- a) Paving and streetscape improvements - \$2,151,800 along both sides of Hi Line Drive from the Project site to the western end at the Trinity Strand Trail head.
- b) Overhead utility burial - \$391,000 along Hi Line Drive from the Project site to the western end at the Trinity Strand Trail head.

Alternatives

City Council may choose to deny the TIF request, resulting in only limited Phase I improvements being constructed. Phase II improvements would not be implemented unless another entity came forward at a future date.

Financing

\$3,622,885.00 - Design District TIF District Funds (subject to future appropriations from tax increments)

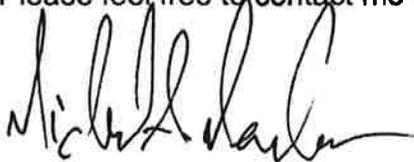
Coordination

Staff coordinated with the Planning and Urban Design Department, the Park and Recreation Department, and the City Attorney's Office.

**Recommendation**

Staff and the Design District TIF District Board of Directors recommend the Economic Development and Housing Committee recommend approval to City Council to authorize a development agreement with DD Dunhill Hotel, LLC and/or its affiliates in an amount not to exceed \$3,622,885.00, payable from future Design District TIF District Funds, in consideration of the Virgin Hotel Infrastructure Project.

Please feel free to contact me if you have any questions or need additional information.



**Michael Mendoza**  
**Chief of Economic Development and Neighborhood Services**

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swan, City Auditor  
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M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors





# Exhibit A-3 Virgin Hotel rendering



**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 14  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

---

## **SUBJECT**

Authorize the first amendment to Resolution No.19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: **(1)** amend the development loan amount with 2400 Bryan Street, LLC or an affiliate (“2400 Bryan”) to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership funds for construction, **(2)** authorize a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), instead of 2400 Bryan, for acquisition of land and construction, subject to DHFC Board of Directors’ approval, in amount not to exceed \$7,026,943.00 in Community Development Block Grant (“CDBG”) funds, **(3)** allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, **(4)** allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No.19-0360 to be reimbursed the remaining loan and grant amounts and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position – No cost consideration to the City

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0360, approved on February 27, 2019 for the development of a mixed-used and mixed-income multifamily residential development to be located at 2400 Bryan Street. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development (“HUD”).

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with 2400 Bryan Street, LLC or its affiliate to develop a 15-story mixed-use development with approximately 10,000 square feet of retail space and a mixed-income multifamily rental residential with 217 units in downtown. The retail space will include an early childhood education or childcare facility. The development includes structured parking with approximately 312 spaces. Planned amenities for the development include a multipurpose room with fitness center and swimming pool. RMGM Bryan Street, LLC or RMGM Developers, LLC, both affiliates of Matthews Southwest, Inc. (MSW) will serve as the Developer for the development. MSW redeveloped the historic Old Dallas High

School in partnership with the City using TIF funds from Deep Ellum TIF District which is adjacent to the proposed development.

At this time, staff recommends reducing the CDBG allocations for the Estates at Shiloh and Palladium Redbird developments and increase the CDBG allocation and eliminate the HOME Investment Partnership Program (HOME) funds allocation for 2400 Bryan. The development will still receive up to \$7,026,943.00 in federal funds; however, instead of the original distribution of \$3,421,373.00 in CDBG funds and \$3,605,570.00 in HOME funds, the development will receive up to \$7,026,943 in CDBG funds. The funds will be used for acquisition, construction, and all other eligible associated hard and soft costs for development of the project. In order for the CDBG funds to be used as an eligible expense for acquisition, the DHFC must enter into a development loan agreement with the City, subject to DHFC Board approval. CDBG funds may be used for acquisition only if a nonprofit entity purchases the land. The DHFC will lease the land to 2400 Bryan through a long-term ground lease.

Per HUD regulations, the City cannot have more than 1.5 times its CDBG allocation in its U.S. Department of the Treasury line of credit 60 days prior to the end of the program year which is September 30. HUD will conduct a test “timeliness test” to determine if the City has more than 1.5 times its allocation on August 2, 2019. The City must draw \$7,517,016.00 including program income receipted to meet the timeliness test requirement. If the City continuously has more than 1.5 times its CDBG allocation, HUD can reduce funding allocations and withhold future grants.

In order to assist the City with meeting its CDBG timeliness deadline, staff recommends that the land for the 2400 Bryan Street development be purchased by the DHFC in advance of closing on equity and financing using the CDBG funds to cover a portion of the costs.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>Permanent Debt</b>	\$42,000,000
<b>Housing Tax Credits Equity</b>	\$14,850,000
<b>NOI Credit during Lease Up</b>	\$1,486,624
<b>Deferred Developer Fee</b>	\$5,410,175
<b>City CDBG Funds</b>	<b>\$7,026,943</b>
<b>2012 GO Bond Funds</b>	<b>\$973,057</b>
<b>Public Private Partnership Funds</b>	<b>\$6,000,000</b>
<b>Total</b>	<b>\$77,746,799</b>

<b>Proposed Uses</b>	<b>Costs</b>
<b>Acquisition</b>	\$9,675,000

<b>Construction Costs</b>	\$48,314,433
<b>Soft Costs &amp; Financing Fees</b>	\$9,286,090
<b>Developer Fees</b>	\$8,500,000
<b>Reserves</b>	\$1,971,277
<b>Total</b>	<b>\$77,746,800</b>

The City proposes to provide an amount not to exceed \$14,000,000.00 in gap financing for the construction of the development. The funds will be funded from several sources:

1. \$973,057.00 in 2012 General Obligation Bond (GO Bond Funds from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant to 2400 Bryan; and
2. \$7,026,943 in CDBG funds to be awarded as a repayable loan to DHFC; and
3. \$6,000,000.00 in Public/Private Partnership Funds (P/PP) to be awarded as a repayable loan to 2400 Bryan.

2400 Bryan and the DHFC may be reimbursed for costs associated with acquisition at closing of the City's loan and grant, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0360 approved on February 27, 2019 shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

**ESTIMATED SCHEDULE OF DEVELOPMENT**

Begin Construction            August 2019  
Complete Construction        December 2021

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No.18-0219.

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized (1) a development loan agreement with

2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); **(2)** a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and **(3)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

### **OWNER/DEVELOPER**

#### **2400 Bryan Street, LLC**

2400 Bryan Street GP, LLC is the general partner, a formed entity with The Community Project, BETCO Consulting, LLC, and RMGM Bryan Street, LLC (RMGM Bryan Street) as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

RMGM Bryan Street or RMGM Developers, LLC, both affiliates of Matthews Southwest Inc. will serve as the Developer.

Jack Matthews, President

City of Dallas Housing Finance Corporation

### **MAP**

Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation by Resolution No. 18-0704; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, on January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No. 18-0219; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and 2400 Bryan Street, LLC submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land, enter into a long-term ground lease, and taking an ownership interest in 2400 Bryan Street, LLC; and

**WHEREAS**, on February 27, 2019, City Council authorized (1) a development loan agreement with 2400 Bryan Street, LLC or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 of Community Development Block Grant Funds); (2) a conditional grant agreement with 2400 Bryan Street, LLC or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan Street, LLC by Resolution No. 19-0360; and

**WHEREAS**, the City desires to move forward with the 2400 Bryan Street development to complete the project; and

**Now, Therefore,**

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

amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0360, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon 2400 Bryan and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 8  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** T.C. Broadnax

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## **SUBJECT**

Authorize a first amendment to Resolution No.19-0385, previously approved on February 27, 2019, for a mixed-income multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road site of the former Red Bird Mall/Southwest Center Mall to: **(1)** amend the development loan amount with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”) to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program (“HOME”) funds for construction, **(2)** authorize a development loan agreement with Palladium Redbird or the City of Dallas Housing Finance Corporation (“DHFC”) for acquisition of land and construction, subject to DHFC Board of Directors’ approval, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant (“CDBG”) funds, **(3)** allow the closing of the Palladium Redbird and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, **(4)** allow Palladium Redbird and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts, and **(5)** allow the City to maintain no less than 3<sup>rd</sup> lien position – No cost consideration to the City

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No. 19-0385, approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy while simultaneously meeting expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development.

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with Palladium Redbird, Ltd. to construct a new, 300-unit development with structured parking for approximately 450 spaces at the site of the former Red Bird/Southwest Center Mall. The development will include two 4-story residential buildings with elevators and, in addition to structured parking, planned amenities include a clubhouse with a fitness center, a business center, a club room, resort-style swimming pool, playground, pedestrian access to the Redbird Mall Area, and a dog park. Palladium Red Bird, Ltd. is an affiliate of Palladium USA International, Inc. (Palladium Redbird) and will serve as the developer for the development.

At this time, staff recommends reducing the CDBG allocation for Palladium Redbird while simultaneously increasing the HOME allocation for the project. The CDBG funds that are removed from the Palladium Redbird project will subsequently be allocated to the 2400 Bryan project in order for the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$6,271,576.00 in federal funds; however, instead of the original distribution of \$2,696,300.00 in CDBG funds and \$3,575,276.00 in HOME funds, the development will receive \$1,271,576.00 in CDBG funds and \$5,000,000.00 in HOME funds. The funds will be used for acquisition, construction, and all other eligible hard and soft costs for the development of the project.

The proposed total investment is \$60,595,572.00. The sources and uses are provided in the following chart:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan)</b>	\$34,957,118
<b>*DHFC as Issuer and induced on 1/25/2019</b>	
<b>Housing Tax Credits Equity</b>	\$15,094,860
<b>National Housing Trust Funds</b>	\$2,000,000
<b>Deferred Developer Fee</b>	\$243,598
<b>City CDBG Funds</b>	\$1,271,576
<b>City HOME Funds</b>	\$5,000,000
<b>2012 GO Bond Funds</b>	\$2,028,424
<b>Total</b>	<b>\$60,595,572</b>

<b>Use</b>	<b>Costs</b>
<b>Acquisition</b>	\$1,300,000
<b>Construction Costs</b>	\$42,236,497
<b>Soft Costs &amp; Financing Fees</b>	\$7,365,412
<b>Developer Fees</b>	\$7,082,936
<b>Reserves</b>	\$2,610,727
<b>Total</b>	<b>\$60,595,572</b>

The City proposes to provide an amount not to exceed \$8,300,000.00 in gap financing for the construction of the development from three sources:

1. \$2,028,424.00 in 2012 General Obligation Bond Funds (GO Bond) from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant to Palladium Redbird;
2. \$1,271,576.00 in Community Development Block Grant (CDBG) funds to be awarded as a repayable loan to Palladium Redbird or DHFC; and
3. \$5,000,000.00 in HOME Investment Partnerships Program funds (HOME) to be awarded as a repayable loan to Palladium Redbird.

Staff recommends entering to a development loan agreement with the DHFC only if CDBG funds are needed to acquire the land for the development. Additionally, staff recommends allowing the City's loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure deadline, but must meet all other requirements under the development loan and conditional grant agreement to be reimbursed the remaining loan and grant amounts. All of the other terms and conditions from the original Resolution No. 19-0385 approved on February 27, 2019 shall remain unchanged and in full force and effect.

City Council approval of this item will authorize the City Manager to execute the amendment to the development loan and conditional grant agreement related to the development.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    October 2019  
Construction Complete     December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with 2400 Bryan Street, LLC and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized **(1)** a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); **(2)** a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and **(3)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with Palladium Redbird, Ltd. by Resolution No. 19-0385.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

**OWNER/DEVELOPER**

**Palladium Redbird, Ltd.**

Palladium Redbird GP, LLC is the general partner, a formed entity with members affiliated with Palladium Redbird (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

Palladium Redbird and DHFC will serve as co-Developer.

Thomas Huth, President of Palladium Redbird

City of Dallas Housing Finance Corporation

**MAP**

Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA); and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and Palladium Redbird, Ltd. submitted an application for gap financing and received a fundable score for Palladium Redbird; and

**WHEREAS**, the proposed development is part of the overall renovation and redevelopment of a shopping mall located at 3662 W. Camp Wisdom Road known as Red Mall which received City incentives; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd.; and

**WHEREAS**, the proposed development is located in the Red Bird Redevelopment target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development providing 90 market rate and 210 units to households earning 60% or below of Area Median Income and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, on February 27, 2019, City Council authorized (1) a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); (2) a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground

lease with Palladium Redbird, Ltd. by Resolution No. 19-0385; and

**WHEREAS**, the City desires to move forward with the Palladium Redbird development to complete the project; and

**NOW, THEREFORE,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with Palladium Redbird, Ltd. or an affiliate (“Palladium Redbird”), for the construction of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road in an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program funds, as approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount.

**SECTION 2.** That the City Manager is hereby authorized to execute a development loan agreement with the City of Dallas Housing Finance Corporation (“DHFC”), subject to DHFC Board of Directors’ approval or Palladium Redbird for acquisition and construction of a multifamily residential development to be located at the intersection of W. Camp Wisdom Road and S. Westmoreland Road, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant, approved as to form by the City Attorney. City shall maintain no less than 2<sup>nd</sup> or 3<sup>rd</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount. Whether the development loan agreement is executed with the DHFC or Palladium Redbird is within the sole discretion of the City Manager.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Palladium Redbird, Ltd., Vendor VC 100163, and to the Dallas Housing Finance Corporation, Vendor VC 255006, as the City receives and reviews reimbursement requests and related supporting documentation submitted by Palladium Redbird, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$8,300,000.00 from funding sources listed and described below:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>PROGRAM NUMBER</u>	<u>AMOUNT</u>
18R1	HOU	B17B	3015	NOFA18REDBIRD	\$1,271,576
HM17	HOU	275B	3015	NOFA18REDBIRD	\$1,424,724
HM18	HOU	823C	3015	NOFA18REDBIRD	\$2,091,239
HM13	HOU	310F	3015	NOFA18REDBIRD	\$149,064
HM14	HOU	489G	3015	NOFA18REDBIRD	\$689,027
HM15	HOU	644H	3015	NOFA18REDBIRD	\$160,990
HM16	HOU	545A	3015	NOFA18REDBIRD	\$484,956

2U53	HOU	W362	3016	NOFA18REDBIRD	\$139,051
3U53	HOU	W362	3016	NOFA18REDBIRD	\$419,373
4U53	HOU	W362	4599	NOFA18REDBIRD	\$1,470,000

**SECTION 4.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and HOME for the amount of the loan.

**SECTION 5.** That the City Manager, in his or her sole discretion, is authorized to close on the Palladium Redbird and DHFC loans and grants prior to closing on the equity and all other financing for the development.

**SECTION 6.** That Palladium Redbird and DHFC may be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No. 19-0385, approved on February 27, 2019, to be reimbursed the remaining loan and grant amounts, subject to Director of Housing and Neighborhood Revitalization's approval, in his or her sole discretion.

**SECTION 7.** That all other terms and conditions contained in Resolution No. 19-0385, approved on February 27, 2019, shall remain unchanged and in full force and effect and binding upon Palladium Redbird and DHFC.

**SECTION 8.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 9.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** June 12, 2019  
**COUNCIL DISTRICT(S):** 9  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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## **SUBJECT**

Authorize a first amendment to Resolution No.19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: **(1)** amend the funding source for the development loan amount with TX Casa View 2018, Ltd. (“TCV”) of \$3,801,000.00 from \$3,801,000.00 in Community Development Block Grant (“CDBG”) to \$1,620,154.00 in CDBG funds and \$2,180,846.00 HOME Investment Partnership Program (“HOME”) funds, and **(2)** allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development. – No cost consideration to the City.

## **BACKGROUND**

This item is being added to the addendum to expedite an amendment to Resolution No.19-0387, previously approved on February 27, 2019. The approval will assist the City in meeting its housing production goals under the Comprehensive Housing Policy plus expenditure and commitment requirements for the use of the federal funds from the U.S. Department of Housing and Urban Development (“HUD”).

On February 27, 2019, City Council authorized a contract with TCV to rehabilitate all 40 existing units and construct 224 new units for seniors at the Estates at Shiloh Apartments. The 264 units will be dispersed equitably by bedroom size and amongst income bands throughout the development. The proposed development will have 4-three story buildings with ventilated corridors and accessible elevators. Planned amenities include renovation of the existing 9,000 square foot community center, swimming pool, community garden, landscaping and lighted sidewalks connecting buildings, and a dog park. TCV is an affiliate of Generation Housing Partners, LLC and Hill Tide Development, LLC.

At this time, staff recommends reducing the CDBG fund allocation for the Estates at Shiloh in order to increase the CDBG fund allocation for 2400 Bryan, a mixed-income housing development authorized by Resolution 19-0360 on February 27, 2019. Reducing the allocation of CDBG funds for the Estates at Shiloh will allow the City to meet its CDBG timeliness expenditure deadline on August 2, 2019. The development will still receive up to \$3,801,000.00 in federal funds; however, instead of the original distribution of \$3,801,000.00 in CDBG funds, the development will receive up to \$1,620,154.00 in CDBG funds and \$2,180,846.00 in HOME funds. The funds will be used for acquisition,

construction, and all other eligible associated hard and soft costs for development of the project.

Total development costs are anticipated to be approximately \$38,435,465.00 which include the acquisition price for the land and existing improvements. The hard cost rehabilitation/construction budget is anticipated to be \$25,103,247.00 (\$22,628,447.00 new construction and \$2,475,200.00 rehab) which is \$101,019.85 per unit and \$61,880.00 per unit respectively. The total rehabilitation/construction amount includes a 3% contingency and contractor overhead.

The proposed total investment is \$77,746,799.00 and a breakdown of sources and uses are provided below:

<b>Financing Sources</b>	<b>Amount</b>
<b>*Tax Exempt Bonds (retired and replace with 221(d)4 loan)</b>	\$19,650,000
<b>*DHFC as Issuer and induced on 1/25/2019</b>	(*\$20,000,000)
<b>Housing Tax Credits Equity</b>	\$12,546,810
<b>Deferred Developer Fee</b>	\$2,238,655
<b>City CDBG Funds</b>	\$1,620,154
<b>City HOME Funds</b>	\$2,180,846
<b>2012 GO Bond Funds</b>	\$199,000
<b>Total</b>	<b>\$38,435,465</b>

<b>Proposed Use</b>	<b>Costs</b>
<b>Acquisition</b>	\$3,400,000
<b>Rehabilitation &amp; Construction Costs</b>	\$25,103,247
<b>Soft Costs &amp; Financing Fees</b>	\$4,074,624
<b>Developer Fees</b>	\$4,521,806
<b>Reserves</b>	\$1,335,788
<b>Total</b>	<b>\$38,435,465</b>

The City proposes to provide an amount not to exceed \$4,000,000.00 in gap financing for the construction of the development. The funds will be funded from three sources:

1. \$199,000.00 in 2012 General Obligation Bond Funds (GO Bond) from Proposition 3 (Economic Development and Housing) to be awarded as conditional grant;
2. \$1,620,154.00 in Community Development Block Grant (CDBG) funds to be awarded as a repayable loan; and
3. \$2,180,846.00 HOME Investment Partnership Program (HOME) funds to be awarded as a repayable loan.

Staff recommends allowing the City's loan and grant to close prior to equity and other financing for the development only to assist the City to meet a federal expenditure

deadline. All of the terms and conditions from the original Resolution No. 19-0387 approved on February 27, 2019 still remain in effect.

City Council approval of this item will authorize the City Manager to execute development loans and a conditional grant agreement related to the development as amended.

### **ESTIMATED SCHEDULE OF DEVELOPMENT**

Construction Commence    November 2019  
Construction Complete     December 2021

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd. and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with TX Casa View 2018, Ltd. and approved moving forward to Council for consideration.

On February 27, 2019, City Council authorized **(1)** that it has no objection as to TCV's application to TDHCA's 2019 4% Non-Competitive HTC; **(2)** a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000 (Community Development Block Grant Funds) conditioned upon TCV receiving a 2019 4% Housing Tax Credit award; **(3)** a conditional grant agreement with TCV or an affiliate thereof for the development of a mixed-income multifamily residential development to be located at 2649 Centerville Road in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds; and **(4)** the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with TCV by Resolution No. 19-0387.

On June 3, 2019, the Economic Development and Housing Committee was provided the Agenda Information Sheet and Resolution as an Upcoming Council Agenda Item.

### **FISCAL INFORMATION**

No cost consideration to the City.

### **OWNER/DEVELOPER**

#### **TX Casa View 2018, Ltd.**

TX Casa View 2018 GP, LLC is the general partner, a formed entity with GHP and HTD as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

GHP and HTD will serve as the Developer.

Adrian Iglesias, President of GHP  
Chris Applequist, Vice-President of GHP

**MAP**  
Attached

June 12, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA); and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and TX Casa View 2018, Ltd. submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd.; and

**WHEREAS**, the proposed development is located in the Casa View Stabilization target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development for seniors providing at least 239 units to households earning 60% or below of Area Median Income and the remaining units as market rate and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, TX Casa View 2018, Ltd. submitted an application to TDHCA for 2019 4% Non-Competitive HTC for the proposed acquisition of the land and existing improvements, the rehabilitation of existing units, and the construction of new improvements for the development of Estates at Shiloh Apartments; and

**WHEREAS**, on February 27, 2019, City Council confirmed **(1)** that it has no objection as to TX Casa View 2018, Ltd.'s application to TDHCA's 2019 4% Non-Competitive HTC; **(2)** authorized, conditioned upon TX Casa View 2018, Ltd. receiving a 2019 4% Housing Tax Credit award, a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000 (Community Development Block Grant Funds); **(3)** a conditional grant agreement with TX Casa View 2018, Ltd. or an affiliate thereof for the development of a mixed-income multifamily residential development to be located at 2649

June 12, 2019

Centerville Road in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds; and (4) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with TX Casa View 2018, Ltd. by Resolution No. 19-0387.

**WHEREAS**, the City desires to move forward with the Estates at Shiloh development to complete the project; and

**Now, Therefore,**

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

**SECTION 1.** That the City Manager is hereby authorized to execute a development loan agreement with TX Casa View 2018, Ltd or an affiliate (TCV) thereof in an amount not to exceed \$3,801,000.00 comprised of \$1,620,154.00 Community Development Block Grant (CDBG) funds and \$2,180,846.00 HOME Investment Partnership Program (HOME) funds, approved as to form by the City Attorney.

**Section 2.** That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to TX Casa View 2018, Ltd., Vendor No. VS99112, as the City receives and reviews reimbursement requests and related supporting documentation submitted by TX Casa View 2018, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$4,000,000.00 from funding sources listed and described below:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJECT</u>	<u>PROGRAM NUMBER</u>	<u>AMOUNT</u>
18R1	HOU	B17C	3015	NOFA18SHILO	\$1,620,154
HM17	HOU	275B	3015	NOFA18SHILO	\$2,180,846
2U53	HOU	W363	3016	NOFA18SHILO	\$98,519
3U53	HOU	W363	3016	NOFA18SHILO	\$96,458
4U53	HOU	W363	3016	NOFA18SHILO	\$4,023

**SECTION 3.** That the City Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG and P/PP for the amount of the loan.

**SECTION 4.** That the City Manager, in his or her sole discretion, is authorized to close on the TCV loan and grant prior to closing on the equity and all other financing for the development

**SECTION 5.** That all other terms and conditions contained in Resolution No. 19-0387, previously approved on February 27, 2019, shall remain unchanged and in full force and effect.

**SECTION 6.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the loan documents are duly approved by all parties and executed.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.