

Memorandum



CITY OF DALLAS

DATE May 24, 2024

Honorable Members of the City Council Housing and Homelessness Solutions
TO Committee: Jesse Moreno (Chair), Cara Mendelsohn (Vice Chair), Zarin Gracey, Gay
Donnell Willis, Chad West

SUBJECT **Upcoming Agenda Item: Permanent Supportive Housing NOFA – 1950 Fort Worth Avenue**

The purpose of this memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on June 26, 2024 to authorize **(1)** the amendment of Resolution No. 23-0543 by **a)** rescinding Section 1 to revoke authorization of a development agreement for a turnkey project including the design and redevelopment of real property improvements formerly known as the “Miramar Hotel” located at 1950 Fort Worth Avenue, Dallas, Texas 75208 (the “Property”) for permanent supportive housing and services for formerly unsheltered individuals in the amount of \$5,957,631.00 with UCR Development Services, LLC (the Contract) and **b)** rescinding Section 3 to revoke authorization of the Chief Financial Officer to disburse funds in the amount not to exceed \$5,957,631.00 to UCR Development Services, LLC for the Contract; **(2)** the City Manager to execute a conditional grant with a vendor to be selected via procurement based on terms not yet negotiated (Developer) and a development agreement with the same vendor (Provider), each approved as to form by the City Attorney, to rehabilitate, operate and provide supportive services for formerly unsheltered individuals for a minimum of 15 years (the Project); and **(3)** conveyance of the Property to Applicant and/or its affiliates subject to restrictive covenants, a right of reverter with the right of reentry and recording of all necessary documents pursuant to Texas Local Government Code Chapter 272.001(g) and applicable law and regulations - Total not to exceed \$4,790,000.00 - Financing: Homeless Assistance (J) Fund (2017 General Obligation Bond Fund) (\$2,345,273.00) and HOME Investment Partnerships Funds (HOME) (\$2,444,727.00).

BACKGROUND

According to the most recent annual Point-in-Time Count (PIT) conducted by Housing Forward and the local Continuum of Care (COC), a total of 3,718 individuals are experiencing homelessness on any given night in January 2024 for Dallas and Collin Counties. Of the total households experiencing homelessness, 1,086 were unsheltered during the PIT count. The City of Dallas recognizes this opportunity to better serve our unhoused neighbors by continuing to invest in the affordable housing inventory. Affordable and supportive housing is a cost-effective and evidenced-based intervention

that provides tenants with person-centered, flexible, and voluntary services that enhance the tenant’s quality of life. The City’s goal is to provide affordable and permanent supportive housing for extremely low-income individuals to safely transition into stable housing.

Permanent Supportive Housing (PSH) improves health outcomes and reduces the utilization of costly systems like emergency healthcare and corrections. While PSH is acknowledged as a leading intervention, growth in stock has not kept pace with the current need in Dallas.

On December 9, 2020, the City Council authorized the acquisition of the Property by necessity for the public purpose of providing emergency supportive housing for persons experiencing homelessness (the Project), by Resolution No. 20-1945. The City completed Property acquisition on December 23, 2020; however, the use of the Property for the Project has been delayed due to a myriad of challenges. While the Property has remained vacant, the need for PSH through the R.E.A.L. Time Rehousing Initiative to reach the community-wide goal of significantly reducing unsheltered chronic homelessness persists.

To protect the City’s investment and achieve the original intended public purpose of providing affordable supportive housing options for those who are formerly unsheltered, an emergency procurement for the Project was completed due to the urgent and immediate attention to preserve the asset and to protect the health and safety of area residents. On July 27, 2023, staff utilized an emergency procurement process to select an architect for the Project through a Request for Qualification (RFQ) solicitation to determine the best and most qualified firm. The evaluation committee selected Kirksey Architects as the best and most qualified architectural and engineering firm. Subsequently, a fee negotiation letter was agreed upon, and a professional services contract was executed. Pursuant to RFQ solicitation, Kirksey Architects is required to collaborate with the selected applicant for the redevelopment of the Property. The firm will complete the design of the Property in consultation with the selected applicant. The selected applicant is required to accept and utilize design plans by the design firm pursuant to the City’s Permanent Supportive Housing Development and Operations and Land Conveyance Notice of Funding Availability (PSH NOFA).

The City of Dallas Department of Housing and Neighborhood Revitalization (Housing) administers programs to appropriately incentivize private investment for the development of quality, sustainable housing that is affordable to the residents of the City. Specifically, Housing administers the New Construction and Substantial Rehabilitation Program, which where necessary, seeks to provide financial assistance to new developments or

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substantially rehabilitate existing developments including PSH developments for unsheltered individuals.

On January 9, 2024, Housing issued the PSH NOFA in collaboration with the Office of Homeless Solutions, pursuant to the Dallas Housing Policy 2033 (DHP33) and the Dallas Housing Resource Catalog (DHRC) to solicit a developer to undertake a PSH project to serve the City’s housing goals and to: (1) acquire city-owned property (subject to a right of reverter and deed restrictions and pursuant to Texas Local Government Code Chapter 272.001(g)) located at 1950 Fort Worth Avenue, Dallas, Texas 75208; (2) rehabilitate the Property with an initial conditional grant amount of \$2,345,273.00 in 2017 General Obligation Bond Fund Homeless Assistance (J) Fund into a minimum of 40 PSH units requiring the developer to accept and use the City’s selected Architecture and Engineering firm design plans; (3) obtain additional capital funding to complete rehabilitation; and (4) operate the rehabilitated facility as PSH for as long as the City deems it necessary to serve the public purpose. Additionally, the Applicant is required to work in collaboration with the City and Housing Forward to secure operating subsidies and services necessary to operate the facility as PSH. Housing Forward is the designated lead agency for the local Continuum of Care for Collin and Dallas Counties. The PSH NOFA scoring criteria included: (i) readiness; (ii) capacity to operate PSH and support eviction prevention of PSH clients; (iii) target population and project attributes; and (iv) developer experience and capacity.

After the release of the PSH NOFA, a series of pre-submission meetings were held with interested parties and developers to review the PSH NOFA and to answer any questions. Additionally, two site tours were held at the Property. The PSH NOFA submission deadline date was March 11, 2024. Two PSH NOFA applications were received and are under review. This item will be considered on June 26, 2024 by the City Council.

This project is a current open application for public subsidy and is subject to the Dallas City Code Chapter 12A, which prohibits discussions on an open public subsidy matter.

Should you have any questions or require any additional information, please contact Cynthia Rogers-Ellickson, Interim Director, Department of Housing & Neighborhood Revitalization at Cynthia.rogersellic@dallas.gov or 214-670-3601.

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Robin Bentley,
Assistant City Manager (I)

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Jon Fortune, Deputy City Manager
Majed A. Al-Ghafry, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors