

Memorandum



CITY OF DALLAS

DATE September 7, 2018

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 **Additional Information Regarding Accelerating Issuance of RFAs for 4% Rehabilitation Projects**

On Tuesday, September 4, 2018, the Economic Development and Housing Committee (“Committee”) was briefed on a recommendation to amend the comprehensive housing policy to accelerate issuance of a Request for Applications (“RFA”) for 4% housing tax credit projects that need a Resolution of No Objection prior to the timeframe stated in the adopted comprehensive housing policy.

Summary

The comprehensive housing policy (the “Policy”) includes a specific policy for developers requiring Resolutions of Support or No Objection (“Resolutions”) for multi-family rental housing development projects seeking Housing Tax Credits (“HTC”) through the Texas Department of Housing and Community Affairs (“TDHCA”). The Policy states that the City will issue an RFA for Resolutions in December of each year and bring forth recommendations to the Economic Development and Housing Subcommittee and City Council in February of each year. This once-per-year RFA process was designed to allow the City to review all HTC projects at the same time and take into account the three goals for the development of a comprehensive strategy for housing: 1) create and maintain available and affordable housing throughout Dallas, 2) promote greater fair housing choices, and 3) overcome patterns of segregation and concentrations of poverty through incentives and requirements.

However, since adoption of the policy, staff received feedback at Housing Taskforce meetings, at two large meetings held in August with prospective Notice of Funding Availability (NOFA) applicants, and via written comments, that the Policy (as it relates to Resolutions) will have the unintended result of preventing the development of certain 4% HTC projects that do not need city funding and need a Resolution of No Objection outside of the February timeframe.

Background

The Committee raised questions regarding the difference between 4% and 9% tax credit programs. Below is an explanation of the two programs through which TDHCA awards tax credits:

DATE September 7, 2018
SUBJECT Additional Information Regarding Accelerating Issuance of RFAs for 4% Rehabilitation Projects

9% tax credit program—The 9% percent HTC program is referred to as the “**competitive**” housing tax credit program because projects seeking a 9% HTC allocation are scored, and thus compete against each other, based on criteria and procedures recommended each year by the TDHCA and approved by the Governor in December. The criteria and procedures are collectively referred to as the Qualified Allocation Plan (QAP). In general, the QAP’s scoring criteria results in the TDHCA favoring projects that are close to the urban core of the City, have a high Opportunity Index (i.e. are located in census tracts with low poverty and crime and are close to public parks, transit and child care, etc.), and are located in places that have the fewest HTC units per capita. Additionally, for an application to attain a total score that makes the application competitive, the project must obtain either a Resolution of Support or No Objection from the governing body of the municipality, if the project is located in a municipality. Because the allocation of 9% HTC provides a substantial amount of equity for a project, projects that receive such awards do not typically need to seek out substantial amounts of financing.

Timeframe for 9% HTC projects—TDHCA begins accepting pre-applications for 9% HTC projects in January of each year and requires full applications, including Resolutions of Support or No Objection, to be submitted in March. The State issues scoring notices in Mid-May that identify projects deemed “competitive” and issues final award notices in July.

4% tax credit—The 4% HTC program is referred to as the “**non-competitive**” housing tax credit program because projects, while subject to some of the policies and procedures outlined in the QAP, are not subject to the scoring criteria or once-per-year timeframe for awards. The State will not allocate 4% HTC unless the project receives a Resolution of No Objection from the applicable city council or other governing body.
(Note: 4% HTC projects only need a Resolution of No Objection, not a Resolution of Support.)

Timeframe for 4% HTC projects—Nearly all projects seeking a 4% HTC allocation must partner with an issuer of Private Activity Bond (PABs) and obtain tax-exempt bond financing for the project to be financially feasible. After an applicant identifies a PAB issuer, the applicant must apply for and obtain a Certificate of Reservation (CAR) from the Texas Bond Review Board (TBRB) before applying for an award of HTC. Applications for a CAR must be submitted at least two weeks before a TBRB meeting. Once a project receives a CAR, it must submit its application for HTC at least 75 days prior to one of the monthly meetings of the TDHCA board and the project must close on bond financing within 150 days from the issuance of the CAR. For 2018, the last meeting of the TBRB is November 15, which means that any applications containing the required Resolution of No Objection must be submitted 2 weeks prior to the November meeting.

Relationship between 9% and 4% HTC projects—The Committee raised concerns with 4% and 9% HTC projects competing with one another. As stated above, only 9% HTC projects are scored and, thus, are only ranked against other 9% HTC projects in a

DATE September 7, 2018
 SUBJECT Additional Information Regarding Accelerating Issuance of RFAs for 4% Rehabilitation Projects

“competitive” process. However, the *location* of a 4% HTC project may or may not impact whether a 9% HTC project is able to participate in the competitive process. Specifically, the Texas Administrative Code (the “Rules”) spells out specific rules intended to prevent an overconcentration of HTC projects in specific geographic areas, (called “Housing Deconcentration” factors). Such rules are the “Two Mile Same Year Rule” and the “One Mile Three Year Rule.” The “Two Mile Same Year Rule” prevents two 9% applications from being awarded in a county with a population that exceeds one million if the proposed project sites are located less than two linear miles from each other. The “One Mile Three Year Rule” prevents the state from awarding HTC (whether 9% or 4%) for a new construction or adaptive reuse project if the project is: 1) located within 1 linear mile of an existing project that serves the same type of household as the proposed project and 2) the existing project received HTC or PAB for new construction at any time during the previous 3 years. However, a city council or governing body can override this “housing deconcentration” rule by providing by vote a resolution specifically allowing the construction of a new project located within one linear mile or less of an existing project. Thus, the type and location of 9% and 4% projects must be reviewed carefully to determine whether the location of one project impacts another.

Issue

The Committee asked staff to share information related to any known HTC projects that may need a Resolution of No Objection prior to February. Staff pulled the most recent HTC and PAB status log from TDHCA’s website and consulted with TDHCA staff to identify all projects (as of today’s date) that need a City of Dallas Resolution of No Objection prior to February. Those projects are as follows:

Development Name	Development Address	ZIP Code	Construction Type	Total Units	Target Population	Requested HTC Amount	Bond Issuer	Bond Reservation Date	Bond Expiration Date	Bond Reservation Amount	Applicant	Applicant Contact
Beckley Townhomes	801 Becklemeade Avenue	75232	Acq/Rehab	100	General	\$473,031	TSAHC	8/1/2018	12/29/2018	\$8,000,000	Dallas Leased Housing Associates V, LLLP	Jeff Spicer
Ridgecrest Terrace Apartments	526 South Walton Walker Boulevard	75211	Acq/Rehab	250	General	\$1,605,777	Housing Options, Inc.	8/15/2018	1/12/2019	\$32,000,000	DAL Steele Ridgecrest, LLC	Allan Izzo
Treymore Eastfield Apartments	2631 John West Road	75228	Acq/Rehab	196	General	\$698,116	TDHCA	8/15/2018	1/12/2019	\$12,000,000	JKLF Eastfield, LTD.	Kathi Yeager

It’s important to note that 4% Housing tax credit acquisition/rehabilitation projects cannot interfere with future allocations of housing tax credits under any state statute but the proposed projects may or may not align with the broad goals of the Policy. Thus, the City can deny these deals the opportunity to proceed as 4% HTC projects (by declining to issue a Resolution of No Objection). In such cases, a creative solution would need to be utilized so families do not lose out on opportunities that will increase the quality of their living conditions over the long term.

DATE September 7, 2018
 SUBJECT Additional Information Regarding Accelerating Issuance of RFAs for 4% Rehabilitation Projects

The Committee expressed concern about the quality of a rehabilitation that is financed through an award of 4% HTC. While not a guarantee of quality of construction, the City’s scoring criteria for Resolutions prioritizes projects developed and managed by experienced professionals who have a track record of successfully developing and managing projects that include an affordable housing component. Additionally, TDHCA requires rehabilitation projects to address the long-term needs of the property and the project must meet the underwriting standards required by TDHCA. Furthermore, major expenditures need to be made to attract private debt and equity investment. “Paint and carpet” rehabilitations simply won’t attract the necessary private investment.

The Committee also asked why it was being asked to change the Policy on an expedited timeframe. While the expedited timeframe is not ideal, it resulted from several factors. First, while the Comprehensive Housing Policy was being drafted and considered by the City Council, staff was aware that developers were requesting Resolutions, but leadership wanted to wait until the Policy was adopted before providing recommendations regarding any requested Resolutions. Subsequently, in the intervening four months since the Policy was adopted, all actors—developers and other members of the public—have spent time becoming familiar with the Policy, Staff have received more specific feedback about the Policy’s impact on the affordable housing industry. Furthermore, as shown below, after further consultation, Staff believes that the timeframe outlined at Committee on September 4th can be extended so as to align with the existing NOFA process currently underway while also allowing City Council to issue Resolutions of No Objection prior to February, should they so choose.

Staff Recommendation

After listening to the Committee’s questions, comments and concerns; conducting additional research, and consulting with both the City’s financial advisors and staff from the Texas Department of Housing and Community Affairs (TDHCA), staff would implement the following process within the stated timeline. This public process is intended to engage as many HTC developers as possible; provide staff sufficient time to review, score and recommend projects in need of a Resolution prior to February; and allow City Council to evaluate the projects receiving staff recommendations at the same time it considers an amendment to the Policy. It is important to note that, even under this proposed expedited timeframe for reviewing HTC applications seeking Resolutions, the City will use the scoring criteria outlined in the Policy, which includes reviewing the projects for alignment with the broad goals of the Policy.

Date	Event
September 6 & 7	Hold NOFA pre-proposal conferences
September 10	City issues addendum to NOFA requesting all projects in need of a Resolution prior to February 2019 to apply under the NOFA and including the timeline for accelerated review and approval

DATE September 7, 2018
 SUBJECT Additional Information Regarding Accelerating Issuance of RFAs for 4% Rehabilitation Projects

September 27	Deadline to submit proposals pursuant to the NOFA
September 28-October 19	Staff score and review projects seeking Resolutions of Support or No Objection
October 22	Special-called meeting of the Economic Development and Housing Committee; staff present recommendations to (1) amend the comprehensive housing policy to allow for an accelerated timeframe for issuing Resolutions of Support or No Objection and (2) recommend that the Council issue a Resolution(s) regarding specific projects (if any)
October 24	Council Agenda; to include any both action items, if forwarded by the Committee

Alternatives

The City Council could: 1) decide to amend the Policy but decline to follow staff's recommendations for projects seeking Resolutions or 2) decline to amend the policy.

Fiscal Impact

None.

Should you have any questions, please contact David Noguera, Director of Housing and Neighborhood Revitalization at (214) 670-3619.



T. G. Broadnax
 City Manager

- c: Christopher Caso, City Attorney (Interim)
- Craig D. Kinton, City Auditor
- Billerae Johnson, City Secretary
- Preston Robinson, Administrative Judge
- Kimberly Bizar Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager

- Jon Fortune, Assistant City Manager
- Joey Zapata, Assistant City Manager
- M. Elizabeth Reich, Chief Financial Officer
- Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
- Directors and Assistant Directors

DATE September 7, 2018

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CITY OF DALLAS

DATE September 7, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **FY 2018-19 Budget Amendments - Summary**

On August 14, we presented City Council with the City Manager’s recommended budget for FY 2018-19 and FY 2019-20. Since that time, several amendments were discussed on August 20, August 27, August 29, and September 5. The below table summarizes the amendments that have been supported by City Council and incorporated into the budget that you approved on First Reading on Wednesday, September 5.

Description of Amendment	Source of Funds	Use of Funds
Increase the property tax rate from the City Manager's recommended rate of 76.50¢, by 1.17¢ to a total rate of 77.67¢. The new rate is 0.37¢ less than the FY 2017-18 (current) rate of 78.04¢.	14,773,274	
Reduce Fire-Rescue Department safety training/promotional exams, 60 automatic chest compression devices, and delay inventory purchases.	1,916,869	
Reduce Human Resources' one-time funding for the total compensation study (reduce from \$1m to \$500K).	500,000	
Reduce Mayor and City Council Office funding for district offices (reduce from \$375,000 to \$120,000)	255,000	
Reduce Non-Departmental funding for PAO and EBS to assist with offsite and after hour meetings scheduled by City Council members.	75,000	
Increase police and fire uniform employee starting pay to \$60,000 effective the first pay period after 1/1/19.		7,268,267
Increase police and fire uniform employee pay by 3% across the board for those employees above \$60,000 (effective the first pay period after 1/1/19).		7,935,647
Increase Fire-Rescue overtime to allow officers to attend paramedic training.		1,916,869
Add funding for Fire-Rescue to begin purchase of complete set of personal protective gear for every emergency response member and a second specialized gear dryer. (Leverage funding to seek private funding through grants and/or matching funds.)		250,000
Increase Public Works mow-mentum program from \$25K to \$100K.		75,000
Add funding for Fire-Rescue promotional exams for battalion chiefs and captains.		74,360
General Fund Total	17,520,143	17,520,143
Use existing appropriations and available fund balance from the plastic bag ordinance/fee for Office of Environmental Quality and Sustainability to complete an environmental plan including climate change.	500,000	500,000
Non-General Fund Total	500,000	500,000

DATE September 7, 2018
SUBJECT FY 2018-19 Budget Amendments - Summary

The remaining schedule for passage of the FY 2018-19 budget includes a public hearing on Wednesday, September 12, and approval of the budget and related items on Tuesday, September 18. The budget will not be final until passage at the Second Reading on September 18. If any City Council member intends to propose additional amendments to the budget for consideration prior to adopting the budget on September 18, we ask that you please submit them to Mr. Broadnax no later than Friday, September 14.

If you have any questions, please contact me or Jack Ireland, Director, Office of Budget.



M. Elizabeth Reich
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (I)
Craig Kinton, City Auditor
Billerae 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 & Chief Resilience Officer
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE September 7, 2018

HONORABLE MEMBERS OF THE GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT
TO COMMITTEE: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Follow Up to Questions on Agenda Item 28 for September 12, 2018**

On September 4, we briefed the Government Performance & Financial Management Committee on Council Agenda Item 28 for September 12, 2018. This item adjusts the appropriation ordinance for the FY 2017-18 City of Dallas Operating, Capital, and Grant & Trust Budgets. Below are responses to questions posed by Committee.

1. Please provide a list of projects planned in the Fair Park Naming Sponsorship Fund (0426).

The additional appropriation will be used to repair/replace paved surfaces on the south side of the Music Hall to accommodate ADA requirements and eliminate trip hazards.

2. Please provide a list of projects planned in the NAS Redevelopment Fund (0022).

The NAS Redevelopment Fund is used for maintenance, improvements, and professional services for the benefit of Hensley Field. The additional appropriation will be used for grounds maintenance (mow/clear brush); replace fencing; roof repairs, repair/replace signage; security; design of infrastructure repairs; and resurface asphalt.

3. What does the transfer from the City of Dallas Regional Center Fund 0067, Department ECO, Unit P682, Object 3090, to General Fund 0001, Department ECO, Unit (various), Object 5011 support?

The Office of Economic Development receives revenue in the City of Dallas Regional Center Fund (fund #0067). These funds are received from developers and are used to pay for certain administrative services in connection with the operation of the City of Dallas Regional Center (CDRC). Additional information about CDRC is available at: <http://www.cdrc.us/>.

DATE September 7, 2018
SUBJECT Follow Up to Questions on Agenda Item 28 for September 12, 2018

Please let me know if you have any questions or concerns.


M. Elizabeth Reich
Chief Financial Officer

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
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TO Honorable Mayor and Members of the City Council

SUBJECT **More Responses to Council Questions on the FY 2018-19 Proposed and FY 2019-20 Planned Budgets**

Thank you for your questions regarding the City Manager's recommended budget. Due to the number of questions, we will provide answers on a rolling basis.

A. Public Safety

1. What is the estimated cost for training new police officers?

In our responses sent by memo on August 28, we indicated the cost for a new police recruit is approximately \$16,000. This is the cost for the police academy training only. However, to provide you with a more complete response, we need to include the cost of the new recruit during the time they are in training. The total cost to train a new police officer is approximately \$90,000, including both the cost of the academy and the cost of salary and benefits for the new recruit.

2. Do graduates of the Fire Academy receive a certification equivalent to the TCOLE certification for police?

Texas firefighters are certified by the Texas Commission on Fire Protection (TCFP), and certificates must be renewed annually. The TCFP's authority is defined by Texas Government Code Chapter 419, and it has two major goals: 1) to provide education and assistance to the fire service and 2) to enforce statewide fire service standards through certification, training approval, and testing and compliance.

State law requires regulated fire protection personnel assigned to the following disciplines to be certified by the commission:

- Structure fire suppression
- Aircraft rescue fire protection
- Marine fire protection
- Fire inspection
- Fire and arson investigation
- Fire protection instructor
- Head of a fire department

Additionally, members in the state-certified TCFP Academy in Dallas must become structural firefighters to graduate from DFR's Basic Rookie School.

B. Economic & Neighborhood Vitality

3. *When do we anticipate the historic resource survey coming to committee?*

Sustainable Development and Construction is actively working with Procurement to prepare a Request for Proposal based on funding decisions. Funding will dictate the geographical scope of the survey, as the methodology itself is in line with industry standards with regard to features that give it historical significance (architect, design style, builder etc). Sustainable Development and Construction anticipates briefing the City Council on the item to authorize the contract around April 2019. If the City Council or one of its committees would like to have briefings prior to that estimated date, the department is certainly willing to accommodate.

4. *Please provide a breakdown of what we've allocated (including the type) in economic development public-private partnership funds during the past three years, including any data about how those projects paid off for the city?*

Please refer to the attached spreadsheet.

C. Quality of Life

5. *Please provide a breakdown of Code Compliance cases by district for the Intensive Case Resolution team.*

The chart below from Code Compliance provides the number of open and resolved cases handled by the Intensive Case Resolution team from the beginning of the fiscal year to July 2018, broken down by Council district:

Council District	Resolved Cases	Open Cases	Total Cases
1	14	39	53
2	93	61	154
3	13	19	32
4	59	59	118
5	10	24	34
6	36	65	101
7	64	82	146
8	21	22	43
9	29	40	69
10	18	3	21
12	1	5	6
13	2	10	12
14	27	10	37
Total	387	439	826

D. Government Performance and Financial Management

6. Who issued the consent decree for Emergency Medical Services (EMS)?

In 2011, the City of Dallas entered a three-year Corporate Integrity Agreement with the U.S. Department of Justice’s Office of the Inspector General (OIG) and paid a \$2.47 million fine to settle claims under the False Claims Act (FCA). The agreement required the City to make various changes, including naming a Compliance Officer, instituting an EMS Compliance Program and committee, hiring an independent organization to review billing accuracy, and reporting back to the OIG during the three-year agreement.

In addition, HIPAA requires that we name a HIPAA Privacy Officer and follow HIPAA guidelines for all release and subsequent disclosure of protected health information.

7. How much have property values grown for each of the past five years? What did the City do with additional funds each year?

Appraised property values have grown in each of the last five years, as shown in the table below. Revenue from this growth is included as part of the overall General Fund and Debt Service Fund revenues. The City uses 100 percent of General Fund property tax revenue, as well as a portion of sales tax revenue, to fund public safety services.

Fiscal Year	Tax Year	Value
FY 2014-15	2014	\$93,138,210,535
FY 2015-16	2015	\$100,318,936,973
FY 2016-17	2016	\$110,387,629,086
FY 2017-18	2017	\$118,314,677,595
FY 2018-19	2018	\$130,080,986,261

8. Please clarify the Rollback Tax Rate and the Effective Tax Rate compared to the City’s Adopted Property Tax Rate over the last several years.

We provided the following table in response to this tax rate question on August 15. There was an error in the table that we corrected. The row shaded in green indicates the numbers that h changed and corrected.

Fiscal Year	Property Tax Base Value	Property Tax Rate (¢ per \$100 valuation)	Rollback Tax Rate	Variance from Property Tax Rate	Effective Tax Rate	Variance from Property Tax Rate
2006-07	\$76,792,536,880	72.92¢	74.28¢	1.36¢	70.49¢	(2.43)¢
2007-08	\$84,526,933,754	74.79¢	78.19¢	3.40¢	68.72¢	(6.07)¢
2008-09	\$90,477,932,550	74.79¢	76.18¢	1.39¢	71.88¢	(2.91)¢
2009-10	\$87,264,095,461	74.79¢	84.89¢	10.10¢	79.37¢	4.58¢
2010-11	\$83,425,479,138	79.70¢	82.35¢	2.65¢	79.72¢	0.02¢
2011-12	\$81,993,746,356	79.70¢	84.27¢	4.57¢	81.78¢	2.08¢
2012-13	\$83,681,721,883	79.70¢	82.80¢	3.10¢	79.11¢	(0.59)¢
2013-14	\$87,251,522,141	79.70¢	80.14¢	0.44¢	77.68¢	(2.02)¢
2014-15	\$93,138,210,535	79.70¢	80.06¢	0.36¢	76.02¢	(3.68)¢
2015-16	\$100,318,936,973	79.70¢	80.41¢	0.71¢	75.99¢	(3.71)¢
2016-17	\$110,387,629,086	78.25¢	78.43¢	0.18¢	74.91¢	(3.34)¢
2017-18	\$118,314,677,595	78.04¢	78.87¢	0.83¢	74.96¢	(3.08)¢
2018-19	\$130,080,986,261	76.50¢	78.11¢	1.61¢	73.92¢	(2.58)¢

9. How much are we spending per Council office?

The following table includes the FY 2017-18 budget and year-to-date actual expenses through July 2018 for council district office holder accounts.

Council District	FY 2017-18 Budget	FY 2017-18 YTD Expenses	% of Budget
1	\$25,900	\$5,860	23%
2	\$30,650	\$10,516	34%
3	\$25,900	\$15,751	61%
4	\$30,650	\$23,551	77%
5	\$25,900	\$13,666	53%
6	\$25,900	\$11,288	44%
7	\$25,900	\$17,504	68%
8	\$25,900	\$11,457	44%
9	\$25,900	\$4,490	17%
10	\$25,900	\$12,677	49%
11	\$25,900	\$10,944	42%
12	\$25,900	\$1,546	6%
13	\$25,900	\$7,244	28%
14	\$25,900	\$16,905	65%
Mayor	\$31,200	\$11,687	37%
Total	\$403,300	\$175,085	43%

DATE September 7, 2018
SUBJECT More Responses to Council Questions on the FY 2018-19 Proposed and FY 2019-20
Planned Budgets
PAGE 5 of 5

Thank you for your engagement in the budget process, and as always, let us know if you have additional questions.



M. Elizabeth Reich
Chief Financial Officer

[Attachment]

c: T.C. Broadnax, City Manager
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Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
15-16	AA 15-6782	10/5/2015	1,2,3,4,5,6,7,8	\$17,636	Service contract with Catalyst Commercial in an amount not to exceed \$17,636 to conduct a grocery study for the southern sector of Dallas, including an evaluation of grocery concepts/brands, market feasibility analysis, and locational assessment of sites/focus areas.	study report	Contract executed; report delivered in November 2015; City made payment of \$16,480 in December 2015
15-16	15-2241	12/9/2015	6	\$800,000	Chapter 380 economic development agreement with OneSource Virtual, Inc. in an amount not to exceed \$800,000 for the relocation and expansion of its U.S. headquarters to 9001 Cypress Waters	1,300 jobs; \$35,000,000 investment	Company declined incentive a few months after Council approval (i.e. agreement was not executed); Company still relocated to 9001 Cypress Waters
15-16			all	\$39,977	Service contract (under the authorization of a Master Agreement) with Carahsoft Technology Corp in an amount not to exceed \$39,977.45 for the design and implementation of Salesforce for some divisions of the Office of Economic Development		Contract executed; services rendered; City made payments totaling \$36,329.45 between February 2016 and November 2014
15-16	16-0133	1/13/2016	all	\$187,500	Contract with World Affairs Council of Dallas-Fort Worth in an amount not to exceed \$187,500 for protocol services		Contract executed; City made payments totaling \$187,500
15-16	16-0103	1/13/2016	8	\$2,400,000	Chapter 380 economic development grant agreement with 3662 W Camp Wisdom LLC in an amount not to exceed \$2,400,000 to jumpstart the rehabilitation and revitalization of Southwest Center Mall (now Red Bird) located at 3662 W. Camp Wisdom	\$15,000,000 investment; Deed of Trust to Secure Performance on collateral properties (former Dillards and former JC Penneys)	Agreement executed; City payment of \$2,400,000 made May 2016
15-16	16-0128	1/13/2016	all	\$125,000	Service agreement with the Urban Land Institute in an amount not to exceed \$125,000 to conduct a five-day advisory services panel on or before March 15, 2016 for the purposes of interviewing stakeholder groups, reviewing the City's existing housing policies and practices, reviewing best practices of other municipalities related to the development of affordable and mixed income housing, and presenting to the Housing Committee suggested policies and practices for inclusion in the City's new housing policy	report and presentation	Agreement executed; services rendered; City payment of \$115,000 made April 2016. \$115,000 in private donations from Trammell Crow Company and the Urban Land Institute Foundation were received by the City and allocated to this project
15-16	AA 16-5467	3/10/2016	all	\$47,000	Chapter 380 economic development grant agreement with Warner Brothers in an amount not to exceed \$47,000 for the television mini-series "11.22.63" for HULU	\$1,200,000 in estimated local expenditures	Agreement executed; City made payment of \$47,000 in June 2016

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
15-16	16-0453	3/23/2016	7,8	\$275,750	Construction contract with Rebcon, Inc. in an amount not to exceed \$2,870,718 for the construction of paving, drainage, water, and wastewater improvements for Elam Road and a shared-use path west of Pemberton Hill Road	Construction	Contract executed; City made payment of \$275,750 from Public/Private Partnership Fund in July 2016. Construction contract also funded by Capital Construction Fund (\$2,056,943.40), Water Construction Fund (\$12,550), Water Capital Improvement Fund (\$459,745), Wastewater Construction Fund (\$65,730)
15-16	AA 16-5711	4/1/2016	5	\$30,000	Chapter 380 economic development grant agreement with AZAP Welding & Construction in an amount not to exceed \$30,000 to support the adaptive reuse of 10901 Stinson	3 jobs; \$266,500 investment	Contract executed; project completed; City made payment \$30,000 in June 2016
15-16	16-0645	4/27/2016	14	\$1,062,968	Change Order No. 3 to the construction services contract with Phoenix 1 Restoration and Construction, Ltd in an amount not to exceed \$1,062,968 for additional work required for the renovation of the Old Municipal Building located at 106 S. Harwood	Construction	Contract executed; City made payments totaling \$1,062,968 between October 2016 and February 2017
15-16	16-0647	4/27/2016	14	\$191,973	Supplemental Agreement #8 to the professional services contract with Conley Group, Inc. for additional design and construction oversight for the exterior renovation of the Old Municipal Building located at 106 S Harwood	Professional Services	Supplemental Agreement executed; City made payments totaling \$191,973 between September 2016 and February 2017
15-16	16-0671	4/27/2016	6	\$450,000	Chapter 380 economic development grant agreement with Zale Delaware Inc. in an amount not to exceed \$450,000 for the relocation and expansion of its operating headquarters to a new build-to-suit office facility located at 9797 Rombauer and a new build-to-suit jewelry repair facility located at 9121 Water Mill	800 jobs retained (in the Dallas area); 300 jobs created; \$39,000,000 investment	Agreement executed; project in progress

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
15-16	16-0761	5/11/2016	11	\$3,000,000	Chapter 380 economic development grant agreement with Costco Wholesale Corporation in an amount not to exceed \$3,000,000 for the development, construction, and continued operation of a new warehouse at 12550 Coit	225 jobs; \$20,000,000 investment; minimum \$100,000,000 gross sales per year for 3 years	Agreement executed; warehouse opened May 2017; first installment payment in amount \$1,000,000 made by City in October 2017; second installment payment in amount \$500,000 made by City in February 2018
15-16	16-0762	5/11/2016	14	\$75,000	Chapter 380 economic development grant agreement with Saatchi North America in an amount not to exceed \$75,000 for the establishment of a new office location at 2021 McKinney	100 jobs; \$1,000,000 investment	Agreement executed; project in progress
15-16	AA 16-6183	6/1/2016	4	\$44,684	Service contract with Terracon in an amount not to exceed \$44,684 for environmental due diligence and soil/groundwater sampling to determine MSD eligibility in connection with the Cedar Crest/11th Street Corridor redevelopment effort	report and sampling results	Contract executed; services rendered; City made payment \$41,338 August 2016
15-16	16-1057	6/22/2016	All	\$105,246	Service contract with Icon Enterprises, Inc. dba CivicPlus for the development and implementation of a new website and digital content strategy for the Office of Economic Development. Scope of contract also includes hosting, maintenance, and support for 5 years.	new website	Contract executed; project in progress; City payment amounts made to date \$56,895. Supplemental Agreement No. 1 (AA 17-5644 authorized in March 2018) reduced the scope of services and decreased the contract amount by \$27,246 to a new contract amount of \$78,000
15-16	16-1090	6/22/2016	2	\$670,000	Chapter 380 economic development grant agreement in an amount not to exceed \$670,000 with DFM Developer, Ltd., in accordance with the approved Master Agreement for the Redevelopment of the Farmers Market, executed pursuant to City Council Resolution No. 13-0447, as amended, for remaining streetscape and infrastructure improvements.	streetscape and infrastructure	Agreement executed; project in progress; City payment amounts made to date \$524,156
15-16	16-1091	6/22/2016	14	\$277,500	Chapter 380 economic development grant agreement with Jacobs Engineering Group Inc. in an amount not to exceed \$277,500 for the out-of-state relocation of its headquarters to 1999 Bryan	250 jobs retained; 111 jobs created; \$1,000,000 investment	Agreement executed; project in progress

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
15-16	AA 16-6349	7/21/2016	all	\$50,000	Chapter 380 economic development grant agreement with Touchstone Television Productions in an amount not to exceed \$50,000 for the television pilot for "Broken"	\$3,600,000 in estimated local expenditures	Agreement executed; City made payment of \$50,000 in August 2016
15-16	AA 16-6613	8/15/2016	5	\$30,000	Chapter 380 economic development grant agreement with Nenidia Robles dba Las Huastecas in an amount not to exceed \$30,000 to support the adaptive reuse of 7120 Military Pkwy		Agreement executed; Grantee did not meet obligations; City did not make payment
15-16	AA 16-6489	8/15/2016	all	\$5,000	Chapter 380 economic development grant agreement in an amount not to exceed \$5,000 for an independent feature film called "A Heart that Forgives"	\$70,000 in estimated local expenditures	Agreement executed; Grantee did not meet obligations; City did not make payment
15-16	16-1592	9/28/2016	all	\$200,000	Contract with World Affairs Council of Dallas-Fort Worth in an amount not to exceed \$200,000 for protocol services		Contract executed; City made payments totaling \$200,000
16-17	16-1956	12/14/2016	all	\$200,000	Chapter 380 economic development grant agreement with the USA Network in an amount not to exceed \$200,000 for Season 2 (13 episodes) of the television series "Queen of the South"	\$21,000,000 in estimated local expenditures	Agreement executed; production of Season 2 is completed; City's payment of \$200,000 is currently pending
16-17	AA 17-5080	1/9/2017	all	\$30,250	Service contract with Imagemakers, Inc. in an amount not to exceed \$30,250 for development and five years of hosting for an online data search tool for the Office of Economic Development's new website	data search tool for website	Agreement executed; data search tool completed; 2 years of hosting completed; City has made payments totaling \$24,850
16-17	AA 17-5112	1/12/2017	all	\$14,000	Service contract with Urban Fabric Photography in an amount not to exceed \$14,000 for three-year licenses to original stock photography for the Office of Economic Development's print and digital marketing efforts	three-year non-exclusive licenses to use a package of stock photography	Agreement executed; photography package delivered May 2017; City made payment of \$14,000 July 2017
16-17	AA 17-5120	1/13/2017	all	\$14,800	Service contract with Kauwuane Burton Photography in an amount not to exceed \$14,800 for three-year licenses to original stock photography for the Office of Economic Development's print and digital marketing efforts	three-year non-exclusive licenses to use a package of stock photography	Agreement executed; photography package delivered April 2017; City made payment of \$14,800 May 2017

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
16-17	AA 17-5390	1/31/2017	1	\$30,000	Chapter 380 economic development grant agreement with Nostalgic Habitats, LLC dba Arts Mission Oak Cliff in an amount not to exceed \$30,000 to support the adaptive reuse of 410 S. Windomere	3 jobs; \$1,250,000 investment	Agreement executed; project completed June 2017; City made payment \$30,000 December 2017
16-17	17-0414	2/22/2017	9	\$1,000,000	Chapter 380 economic development grant agreement with Casa View II Ltd in an amount not to exceed \$1,000,000 for the renovation of Casa View Shopping Center located at 2331/2203 Gus Thomasson	\$1,500,000 investment	Agreement executed; construction commenced June 2018; project in progress
16-17	17-0714	4/26/2017	2	\$500,000	Chapter 380 economic development grant agreement with S&D Longhorn Partners, LLC in an amount not to exceed \$500,000 for the renovation/redevelopment of the historic Longhorn Ballroom site, sign, and buildings located at 200/216 N. Corinth	\$1,400,000 investment	Agreement executed; first phase completed; installment payment in amount \$156,536 made by City in January 2018; second phase not yet started
16-17	17-0715	4/26/2017	14	\$150,000	Chapter 380 economic development grant agreement with Lone Wolf Real Estate Technologies Inc. in an amount not to exceed \$150,000 for the location and establishment of its new U.S. headquarters to 717 Harwood	150 jobs; \$2,000,000 investment	Company decided not to execute agreement; City terminated 5/7/2018
16-17	17-0766	5/10/2017	all	\$1,500,000	Two-year service contracts with Transformance, Inc. (\$375,000), Christian Transformation Foundation dba Serve West Dallas (\$375,000), City Square (\$375,000), and Dallas Area Habitat for Humanity (\$375,000) in a total amount not to exceed \$1,500,000 to administer a Workforce Readiness, Placement, and Retention "Continuum of Service" Career Pathways Pilot Program	CitySquare: 90 people trained per contract; 68 people placed in full time positions. Serve West Dallas: 60 people trained per contract; 40 people placed in full time positions	To date, City has made payments totaling \$292,527. CitySquare and Serve West Dallas are currently under contract; Habitat canceled contract before the work began; contract with Transformance was terminated under default provision

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
16-17	17-0865	5/24/2017	7	\$131,231	Chapter 380 economic development grant agreement with South Dallas Fair Park/Innercity Community Development Corporation in an amount not to exceed \$131,231 for the purpose of making major repairs and improvements to the Grand Plaza Shopping Center located at 3101 Al Lipscomb	30 jobs; \$263,000 investment	Agreement not yet executed. Incentive package also includes \$131,231 loan from South Dallas/Fair Park Trust Fund
16-17	AA 17-0897	8/17/2017	1	\$30,000	Chapter 380 economic development grant agreement with Square Peg Properties LLC in an amount not to exceed \$30,000 to support the adaptive reuse of 301 W. 8th	3 jobs; \$887,701 investment	Agreement executed; project completed October 2017; City made payment \$30,000 March 2018
17-18	17-1539	9/27/2017	all	\$200,000	Contract with World Affairs Council of Dallas-Fort Worth in an amount not to exceed \$200,000 for protocol services		Contract executed; at the end of FY 17-18, City will have made payments totaling \$200,000
17-18	17-1607	10/11/2017	all	\$200,000	Chapter 380 economic development grant agreement with the USA Network in an amount not to exceed \$200,000 for Season 3 (13 episodes) of the television series "Queen of the South"	\$21,000,000 in estimated local expenditures	Agreement not yet executed; filming of Season 3 is in progress
17-18	AA 18-5629	4/9/2018	6	\$50,000	Chapter 380 economic development grant agreement with Southern Leasing, Inc. (Southern Botanical, Inc.) in an amount not to exceed \$50,000 for the retention, intracity relocation, and expansion of the their headquarters at 3151 Halifax Street	250 jobs retained; 100 jobs created; \$1,000,000 investment	Agreement executed; project in progress
17-18		5/1/2018	7	\$832,051	SDFPOF - Transfer to support loan and grant program activity		
17-18	AA 18-6013	6/6/2018	6	\$50,000	Chapter 380 economic development grant agreement with Smoothie King Franchises, Inc. in an amount not to exceed \$50,000 for the out-of-state relocation of their corporate headquarters to 9797 Rombauer Road	100 jobs; \$2,500,000 investment	Agreement executed; project in progress

Public/Private Partnership Fund (PPPF)
 Authorized Commitments FY 15-16, FY 16-17, FY 17-18
 (as of August 31, 2018)

Fiscal Year	Authorization Number	Authorization Date	City Council District	PPPF Amount	Project Summary	Benefits (Investment, Jobs, other)	Status
17-18	18-0850	6/13/2018	8	\$12,000,000	Chapter 380 economic development loan agreement with 3662 Investors LP in an amount not to exceed \$12,000,000 for the renovation and redevelopment of the shopping mall located at 3662 West Camp Wisdom Road known as Red Bird Mall	total estimated project cost \$157,173,878; minimum investment \$100,000,000	Agreement not yet executed. Incentive package also includes a grant agreement in an amount not to exceed \$10,000,000 (bond funds); a development agreement in an amount not to exceed \$15,600,000 (TIF funds); an assignment of all TIF increment payable to 3662 Investors LP under the development agreement to the City of Dallas.
17-18	18-0853	6/13/2018	8	\$300,000	Chapter 380 economic development grant agreement with Vistaprint Manufacturing Texas LLC in an amount not to exceed \$300,000 for cost assistance with workforce development programs for residents of the city of Dallas associated with the proposed development of a build-to-suit manufacturing facility on approximately 31 acres located in the 9900 block of Bonnie View Road/Logistics Drive	400 jobs; \$54,000,000 investment	Agreement not yet executed. Incentive package also includes a 5-year/50% abatement of business personal property tax and a 10-year/50% abatement of real property tax.
17-18	18-1001	6/27/2018	3	\$150,000	Chapter 380 economic development grant agreement with WWF Operating Company, LLC in an amount not to exceed \$150,000 related to job creation associated with WWF Operating Company, LLC's establishing a new segment of production in a facility situated on approximately 13.9 acres of property at 3400 Dan Morton Drive	75 jobs; \$7,500,000 investment	Agreement not yet executed. Incentive package also includes a 5-year/50% abatement of business personal property tax.
17-18	18-1002	6/27/2018	6	\$2,500,000	Chapter 380 economic development grant agreement with Nokia of America Corporation in an amount not to exceed \$1,500,000 related to job creation and a grant agreement in an amount not to exceed \$1,000,000 related to local hiring associated with Nokia's proposed consolidation and expansion of their office and research operations into a new North American headquarters at 3100/3201 Olympus	2,300 jobs retained (in the Dallas area); 1,000 jobs created; initial investment \$83,000,000; ongoing investment \$10,000,000/year; minimum \$3,300,000 in new sales tax generated over 10 years	Agreement not yet executed. Incentive package also includes a 5-year/50% abatement of business personal property tax and a sales tax agreement in an amount not to exceed \$1,650,000

Memorandum



CITY OF DALLAS

DATE September 7, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **M/WBE Participation for September 12, 2018 Council Agenda**

For your information staff is providing you with the summary below of M/WBE participation for the voting items scheduled for the September 12, 2018 Council Agenda. **The total contract award amount, consisting of 22 agenda items, is \$128.75M, with an overall M/WBE participation of \$51.96M or 40.36%.** As a reminder, the current M/WBE goals are:

Architecture & Engineering	Construction	Professional Services	Other Services	Goods
25.6%	25.0%	36.3%	23.8%	18.0%

Highlighted Goods & Service Items

Item No. 12-15 Authorize a construction contract for resurfacing and street improvements in service maintenance areas 1, 2, 3, and 4 in the amount of \$53.69M. **This item includes participation from two M/WBE vendors, resulting in 61.57% M/WBE participation on a 25.00% goal.**

Item No. 16 Authorize an increase in the construction services contract in the amount of \$23.52M to expedite the completion of bond projects. **This item includes participation from seven M/WBE vendors, resulting in 25.45% M/WBE participation on a 25.00% goal.**

Item No. 34 Authorize a five-year contract for program management services to assist with the implementation of Phase II of the enterprise work order and asset management system. **This item includes participation from one M/WBE vendor, resulting in 23.80% M/WBE participation on a 23.80% goal.**

Highlighted Construction and Architecture & Engineering Items

This agenda consists of 14 construction and architecture & engineering contracts totaling \$116.2M, **with an overall M/WBE participation of \$65.8M or 56.61%.** **All of the items met or exceeded the M/WBE goals.**

Additional Highlights

This agenda also consists of items in which the M/WBE goal was waived or there was no M/WBE participation. These goals were waived or did not meet the goal because there was no M/WBE availability, the contract was related to proprietary software, or the contract was procured through a cooperative purchasing agreement.

DATE
SUBJECT

September 7, 2018

September 12, 2018 Council Agenda M/WBE Participation Overview

For voting items scheduled on the September 12, 2018 Council Agenda, the Office of Business Diversity has identified 26 new companies that have never done business with the City. These new companies are a result of OBD's continued effort to increase opportunity and competition through the expansion of the outreach program. We continue to make consistent progress on diversity participation across City contracting opportunities.

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



Zarin D. Gracey
Interim Managing Director
Office of Business Diversity

- c: T.C. Broadnax, City Manager
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager
Chris Caso, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
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 September 7, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **No Building Permit Violations – Carport Enforcement**

During the course of the FY 2018-19 Budget Town Hall meetings, multiple residents expressed concerns to staff about enforcement actions taken against carports throughout the City. Like any other structure, carports are subject to Dallas City Code requirements and the following must be considered:

- Zoning (setback requirements) of the area
- Size
- Placement
- Material(s) used

Within the last 5 years, the Department of Code Compliance has addressed over 14,000 “No Building Permit” cases citywide which has resulted in approximately 5,000 notices of violations (warnings) and over 1,400 citations.

The Department of Code Compliance enforces the permit requirements as written in the Dallas City Code, while Sustainable Development & Construction manages the permitting process for structures, including carports. Permits are required to add a carport to a house.

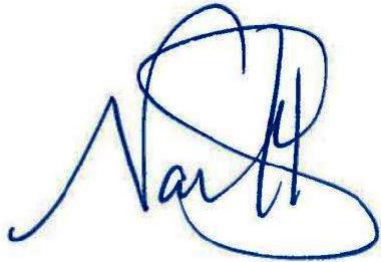
Unless grandfathered, permits are required to add a carport to a house. If a resident has a carport that was built without a required permit, a permit can be applied for and obtained even after construction, if it meets code requirements or is modified to meet the requirements. If the structure does not meet the requirements, it must be removed, or the resident may request a special exception to the zoning ordinance through the Board of Adjustment. If the Board of Adjustment grants the special exception, Code Compliance will be notified and will change the status of that property.

If someone is believed to be in violation, a service request can be created within the Customer Service Request/311 system under the category, “No Building Permit”. This category includes carports, fences (requiring a permit), garage conversions, room additions, secondary structures, and any other construction activities that require a permit.

If a resident is cited for a “No Building Permit” violation, a citation is rendered at the time of violation with the specifics regarding the violation and how to proceed with the citation process. On the back of each citation, there is a number that is to be called by the resident to either schedule a court date or settle the citation.

DATE September 7, 2018
SUBJECT **No Building Permit Violations – Carport Enforcement**

Should you have questions or concerns, contact myself or Lynetta M. Kidd, Interim Director of Code Compliance.



Nadia Chandler Hardy
Assistant City Manager & Chief Resilience Officer

- c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (I)
Craig Kinton, City Auditor
Billerae Johnson, City Secretary
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