

# Memorandum



CITY OF DALLAS

DATE September 20, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **September 25, 2019 City Council FINAL Agenda - Additions/Revisions/Deletions**

On September 13, 2019, a DRAFT City Council Agenda for September 25, 2019 was provided for your review. This memo will outline any additions, revisions or deletions made to the FINAL agenda after the distribution of the DRAFT agenda.

Additional items and deletions to the DRAFT agenda are outlined below, including *revisions* to the FINAL agenda are underlined in blue and *deletions* are strikethrough in red.

## **Additions:**

63. 19-1443 Authorize the first amendment to Resolution No. 19-1016, previously approved on June 26, 2019, for the services contract with CitySquare, contingent upon performance and subject to appropriation, to increase funding to serve an additional 25 individual/families under the Landlord Subsidized Leasing - Not to exceed \$325,000.00, from \$1,300,000.00 to \$1,625,000.00 - Financing: General Fund
64. 19-1449 Authorize the first amendment to Resolution No. 19-1013, previously approved on June 26, 2019, to the services contract with CitySquare, to increase funding and to increase the amount of people served under the Dallas Connector Project, which will provide regularly-scheduled transportation services for persons experiencing homelessness to access services necessary to secure healthcare, housing and employment - Not to exceed \$46,875.00, from \$187,500.00 to \$234,375.00 - Financing: General Fund

## **Revisions:**

34. 19-1435 Authorize a second amendment to Resolution No. 19-0387 ~~and first amendment to Resolution No. 19-0945~~, previously approved on February 27, 2019 ~~and June 12, 2019~~, as amended, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road (Development) to: **(1)** remove the permanent repayment guaranty requirement of Generation Housing Partners, LLC, Hill Tide Partners, LLC, and Monarch Private Investments, LLC; **(2)** add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by TX Casa View 2018, Ltd. to its senior construction lender, if

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SUBJECT **September 25, 2019 City Council FINAL Agenda - Additions/Revisions/Deletions**

allowed by the permanent lender; **and (3)** add a minimum investment requirement for TX Casa View [2018](#), Ltd. of \$25,000,000.00 to construct the improvements for the Development as additional consideration; **and (4)** [clarify that the nonprofit entity may assign certain obligations under conditional grant agreement to TX Casa View 2018, Ltd.](#) - Financing: No cost consideration to the City

36. 19-1433 Authorize the second amendment to Resolution No. 19-0385, previously approved on February 27, 2019, [as amended](#) ~~and the first amendment to Resolution No. 19-0944, previously approved on June 12, 2019~~, for a mixed-income multifamily residential development to be located at 7202 South Westmoreland Road (Development) to: **(1)** remove the permanent repayment guaranty requirement of Palladium USA, Inc.; **(2)** add to the requirement that the City only be added as an additional obligee on the payment and performance bonds furnished by Palladium Redbird, Ltd. to its senior construction lender, if allowed by the permanent lender; **and (3)** add a minimum investment requirement for Palladium Redbird, Ltd. of \$30,000,000.00 to construct the improvements for the Development as additional consideration; **(4)** [clarify that the nonprofit entity may assign certain obligations under the conditional grant agreement to Palladium Redbird, Ltd.;](#) **and (5)** [allow the City's deed restrictions to be subordinate to the U.S. Department of Housing and Urban Development covenants and restrictions, to the extent that they do not conflict](#) - Financing: No cost consideration to the City

37. 19-1436 Authorize the second amendment to Resolution No. 19-0360, previously approved on February 27, 2019, [as amended](#), and the first amendment to the development loan with City of Dallas Housing Finance Corporation (DHFC) for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street (Development) to: **(1)** remove the permanent repayment guaranty requirement of RMGM Bryan Street, LLC; **(2)** add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan Street, LLC to its senior construction lender, if allowed by the permanent lender; **and (3)** add a minimum investment requirement for DHFC and 2400 Bryan Street, LLC of \$45,000,000.00 to construct the improvements for the Development - Financing: No cost consideration to the City

50. 19-1397 Authorize an Interlocal Agreement with Dallas County to procure professional services for a Census 2020 Participation Initiative for the period ~~September 25, 2019 through July 1, 2020~~ [October 15, 2019 through September 30, 2020](#) - Not to exceed \$1,000,000.00 - Financing: General Fund

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Thank you for your attention to these changes. If you have any questions, please contact Kimberly Bizer Tolbert, Chief of Staff at 214-670-3302.



T.C. Broadnax  
City Manager

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

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Michael Mendoza, Chief of Economic Development and Neighborhood Services  
Laila Aleqresh, Chief Innovation Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors



Agenda Information Sheet

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**File #:** 19-1443

**Item #:** 63.

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**STRATEGIC PRIORITY:** Human and Social Needs  
**AGENDA DATE:** September 25, 2019  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Office of Homeless Solutions  
**EXECUTIVE:** Nadia Chandler-Hardy

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**SUBJECT**

Authorize the first amendment to Resolution No. 19-1016, previously approved on June 26, 2019, for the services contract with CitySquare, contingent upon performance and subject to appropriation, to increase funding to serve an additional 25 individual/families under the Landlord Subsidized Leasing - Not to exceed \$325,000.00, from \$1,300,000.00 to \$1,625,000.00 - Financing: General Fund

**BACKGROUND**

The local 2018 Homeless Point-In-Time Count revealed that 3,506 persons were experiencing homelessness in the City of Dallas, an almost 9% increase from the 2017 count. Similarly, 1,098 unsheltered persons experiencing homelessness were identified, a 24% increase from the 2017 results. The increase of both total and unsheltered homelessness in the City of Dallas has trended for several years.

On August 1, 2018, the Office of Homeless Solutions briefed City Council on its proposed four-track Homeless Solutions Strategy to address homelessness in the City of Dallas. This strategy includes Track 3 the Landlord Subsidized Leasing Program to address challenges faced by persons experiencing homelessness as they navigate the rental market.

On January 31, 2019, the Office of Procurement Services advertised a Request for Competitive Sealed Proposals ("RFCSP") (#BPZ1905) for Landlord Subsidized Leasing Program, the RFCSP closed on March 14, 2019, with two proposal submissions. CitySquare submitted a proposal to provide the Landlord Subsidized Leasing Program and is recommended for award to administer the Landlord Subsidized Leasing Program under Track 3 of the Homeless Solution Strategy.

CitySquare was originally founded in 1988 by Dallas businessman Jim Sowell. At the time CitySquare was operating as a small food pantry (Central Dallas Food Pantry D/B/A Central Dallas Ministries) for the working poor in East and South Dallas communities. In 2010, Central Dallas Ministries changed its name to CitySquare, to better reflect their commitment to equality inclusiveness, and our recognition that fighting poverty involves bringing our entire community together in the heart of the City.

From a small food pantry, CitySquare has since grown into one of the largest, most effective poverty-fighting organizations in Texas. CitySquare's social service programs annually serve over 50,000 neighbors in North Texas as well as other cities in Texas such as: Austin, Houston, Abilene, and Paris, and Denver, Colorado. Programs focus on four key areas: Hunger, Health, Housing, and Hope.

In partnership with Family Gateway, CitySquare will provide rental assistance and supportive services to 25 homeless individuals and 50 homeless families, while engaging and encouraging landlords to provide units through risk mitigation funds.

The additional \$325,000.00 is available due to budget set-aside to support services for capital bond projects. Dallas Homeless Investment Program Request for Proposal (RFP) BC19-00010982 was released through Office of Procurement Services on July 15, 2019. The Office of Homeless Solutions received the evaluations of submitted proposals on August 1, 2019; however, they did not meet the requirements of shovel ready projects as defined by the RFP specification. Staff would like to repurpose these general funds to support the Landlord Subsidized Leasing program to allow for CitySquare to house an additional 25 individual/families bringing the total to 100.

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

The Citizen Homelessness Commission was briefed on the Landlord Subsidized Leasing Program on March 14, 2018.

The Human and Social Needs Committee was briefed on the Landlord Subsidized Leasing Program on September 17, 2018.

City Council was briefed on the Office of Homeless Solutions proposed four-track Homeless Solutions Strategy to address homelessness in the City of Dallas on August 20, 2018.

Information about this item was provided to the Citizen Homelessness Commission on May 9, 2019.

Information about this item was provided to the Human and Social Needs Committee on May 20, 2019.

On June 26, 2019, City Council authorized a fifteen-month contract, with one twelve-month renewal option, with CitySquare to implement a Landlord Subsidized Leasing Program under Track 3 of the Homeless Solutions Strategy by providing move-in and rental assistance for eligible individuals and families in need of temporary assistance and risk mitigation funds to landlords that reserve units for eligible individuals and families experiencing homelessness for the period July 1, 2019 through September 30, 2020, by Resolution No. 19-1016.

### **FISCAL INFORMATION**

General Fund - \$325,000.00

September 25, 2019

**WHEREAS**, according to the local Homeless Point-in-Time Count, overall homelessness increased by 9% and unsheltered homelessness increased by 24% in 2018 and overall homelessness increased by 16% in 2019; and

**WHEREAS**, these increases in homelessness demonstrate the need to invest in subsidized housing solutions for homeless persons that promote self-sufficiency and housing stability; and

**WHEREAS**, on January 31, 2019, the Office of Procurement Services advertised a Request for Competitive Sealed Proposals (#BPZ1905) to provide a Landlord Subsidized Leasing Program with financial assistance for eligible homeless persons and risk mitigation funds for landlords, to address challenges faced by persons experiencing homelessness as they navigate the rental market; and

**WHEREAS**, CitySquare submitted a proposal to provide a Landlord Subsidized Leasing Program and is recommended for award; and

**WHEREAS**, on June 26, 2019, City Council authorized a fifteen-month contract, with one twelve-month renewal option, with CitySquare to implement a Landlord Subsidized Leasing Program under Track 3 of the Homeless Solutions Strategy by providing move-in and rental assistance for eligible individuals and families in need of temporary assistance and risk mitigation funds to landlords that reserve units for eligible individuals and families experiencing homelessness for the period July 1, 2019 through September 30, 2020, in an amount not to exceed \$1,300,000.00, by Resolution No. 19-1016.

**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 the first amendment to the services contract with CitySquare, previously approved by Resolution No. 19-1016, on June 26, 2019, approved as to form by the City Attorney, contingent upon performance and subject to appropriation, to increase funding to serve an additional 25 individual/families under the Landlord Subsidized Leasing Program, in an amount not to exceed \$325,000.00, increasing the contract amount from \$1,300,000.00 to \$1,625,000.00.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$325,000.00 to CitySquare from the General Fund, Fund 0001, Department MGT, Unit 4311, Object 3070, Service Contract No. OHS-2019-00010380, Vendor VS0000000497.

September 25, 2019

**SECTION 3.** That all other terms and conditions of Resolution No. 19-1016 remain in full force and effect.

**SECTION 4.** 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.



Agenda Information Sheet

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**File #:** 19-1449

**Item #:** 64.

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**STRATEGIC PRIORITY:** Human and Social Needs  
**AGENDA DATE:** September 25, 2019  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Office of Homeless Solutions  
**EXECUTIVE:** Nadia Chandler-Hardy

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**SUBJECT**

Authorize the first amendment to Resolution No. 19-1013, previously approved on June 26, 2019, to the services contract with CitySquare, to increase funding and to increase the amount of people served under the Dallas Connector Project, which will provide regularly-scheduled transportation services for persons experiencing homelessness to access services necessary to secure healthcare, housing and employment - Not to exceed \$46,875.00, from \$187,500.00 to \$234,375.00 - Financing: General Fund

**BACKGROUND**

The local 2018 Homeless Point-In-Time Count revealed that 3,506 persons were experiencing homelessness in the City of Dallas, an almost 9% increase from the 2017 count. Similarly, 1,098 unsheltered persons experiencing homelessness were identified, a 24% increase from the 2017 results. The increase of both total and unsheltered homelessness in the City of Dallas has trended for several years.

On August 9, 2018, the Office of Homeless Solutions (“OHS”) briefed the Citizen Homelessness Commission on a Systems Enhancement Program.

On October 15, 2018, OHS briefed the Human and Social Needs Committee on a Systems Enhancement Program.

On January 31, 2019, the Office of Procurement Services advertised a Request for Competitive Sealed Proposals (“RFCSP”) (#BKZ1909) soliciting proposals for four programs to provide supportive services to homeless and at-risk individuals and families.

The RFCSP closed on March 14, 2019, with 18 proposal submissions, eight of which were for the System Enhancement Program, including the Dallas Connector Project. CitySquare, located at 511 North Akard Street, Dallas, Texas 75201, submitted a proposal to provide the Dallas Connector Project and is recommended for funding.

CitySquare was originally founded in 1988 by Dallas businessman Jim Sowell. At the time CitySquare was operating as a small food pantry (Central Dallas Food Pantry D/B/A Central Dallas Ministries) for the working poor in East and South Dallas communities. In 2010, Central Dallas Ministries changed its name to CitySquare, to better reflect its mission to bring the community together to fight poverty.

From a small food pantry, CitySquare has since grown into one of the largest, most effective poverty-fighting organizations in Texas. CitySquare's social service programs annually serve over 50,000 neighbors in North Texas as well as other Texas cities such as: Austin, Houston, Abilene, and Paris, and Denver, Colorado. Programs focus on four key areas: Hunger, Health, Housing, and Hope.

Under this contract, CitySquare administers the Dallas Connector Project, which is a collaborative project between Austin Street Center, Stewpot/FBC, Salvation Army, and City Square. The project provides regularly scheduled transportation services for persons experiencing homelessness to secure necessary services such as healthcare, housing, and employment. At least one vehicle will be available for on-demand transportation services. The Dallas Connector Project is under the umbrella of The System Enhancement Program, which is intended to benefit individuals or families who are homeless (sheltered or unsheltered), formerly homeless (now housed), or at risk of becoming homeless.

The additional \$46,875.00 is available due to budget set-aside to support services for capital bond projects. Dallas Homeless Investment Program Request for Proposal (RFP) BC19-00010982 was released through Office of Procurement Services on July 15, 2019. The Office of Homeless Solutions received the evaluations of submitted proposals on August 1, 2019; however, they did not meet the requirements of shovel ready projects as defined by the RFP specification. Staff would like to repurpose the bond set-aside funds to support the Dallas Connector project to allow for CitySquare to assist additional persons experiencing homelessness obtain necessary resources to secure housing and employment.

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

The Citizen Homelessness Commission was briefed on the System Enhancement Program on August 8, 2018.

The Human and Social Needs Committee was briefed on the System Enhancement Program on October 15, 2018.

Information about this item was provided to the Citizen Homelessness Commission on May 9, 2019.

Information about this item was provided to the Human and Social Needs Committee on May 20, 2019.

On June 26, 2019, City Council authorized a fifteen-month contract, with one twelve-month renewal option, with CitySquare to provide services under a System Enhancement Program including but not limited to case management, transportation, behavioral health services, workforce solutions, diversion, or re-entry services to homeless and at-risk individuals and families for the period July 1, 2019 through September 30, 2020, by Resolution No. 19-1013.

**FISCAL INFORMATION**

General Fund - \$46,875.00

September 25, 2019

**WHEREAS**, according to the local Homeless Point-in-Time Count, overall homelessness increased by 9% and unsheltered homelessness increased by 24% in 2018 and overall homelessness increased by 16% in 2019; and

**WHEREAS**, these increases in homelessness demonstrate the need to invest in system enhancement solutions for homeless persons to promote self-sufficiency and housing stability; and

**WHEREAS**, on January 31, 2019, the Office of Procurement Services advertised a Request for Competitive Sealed Proposals (#BKZ1909) for programs to strengthen the homeless response system, which included funding for four homeless programs: System Enhancement Program, Emergency Shelter Services, Supportive Housing for Seniors, and Homeless Workforce Sustainability Program; and

**WHEREAS**, CitySquare submitted a proposal to provide services under the System Enhancement Program, and is recommended for award; and

**WHEREAS**, on June 26, 2019, City Council authorized a fifteen-month contract, with one twelve-month renewal option, with CitySquare to provide services under a System Enhancement Program including but not limited to case management, transportation, behavioral health services, workforce solutions, diversion, or re-entry services to homeless and at-risk individuals and families for the period July 1, 2019 through September 30, 2020, in an amount not to exceed \$187,500.00, by Resolution No. 19-1013.

**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 the first amendment to the services contract with CitySquare, previously approved by Resolution No. 19-1013, on June 26, 2019, approved as to form by the City Attorney, to increase funding and to increase the amount of people served under the Dallas Connector Project, which will provide regularly-scheduled transportation services for persons experiencing homelessness to access services necessary to secure healthcare, housing and employment, in an amount not to exceed \$46,875.00, increasing the contract amount from \$187,500.00 to \$234,375.00.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$46,875.00 to CitySquare from the General Fund, Fund 0001, Department MGT, Unit 4311, Object 3070, Activity EH32, Encumbrance/Contract No. OHS-2019-00010379, Vendor VS0000000497.

September 25, 2019

**SECTION 3.** That all other terms and conditions of Resolution No. 19-1013 remain in full force and effect.

**SECTION 4.** 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.



Agenda Information Sheet

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**File #:** 19-1435

**Item #:** 34.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** September 25, 2019

**COUNCIL DISTRICT(S):** 9

**DEPARTMENT:** Office of Economic Development

**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize a second amendment to Resolution No. 19-0387 **and first amendment to Resolution No. 19-0945**, previously approved on February 27, 2019 **and June 12, 2019, as amended**, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road (Development) to: **(1)** remove the permanent repayment guaranty requirement of Generation Housing Partners, LLC, Hill Tide Partners, LLC, and Monarch Private Investments, LLC; **(2)** add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by TX Casa View [2018](#), Ltd. to its senior construction lender, if allowed by the permanent lender; **and (3)** add a minimum investment requirement for TX Casa View [2018](#), Ltd. of \$25,000,000.00 to construct the improvements for the Development as additional consideration; **and (4) clarify that the nonprofit entity may assign certain obligations under conditional grant agreement to TX Casa View 2018, Ltd.** - Financing: No cost consideration to the City

**BACKGROUND**

On February 27, 2019, City Council authorized a loan agreement with TX Casa View 2018, Ltd. (TCV) and conditional grant agreement with a to be determined nonprofit to rehabilitate all 40 existing units and construct 224 new units for seniors at the Estates at Shiloh Apartments. 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. As part of the terms, Generation Housing Partners, LLC, Hill Tide Partners, LLC, and Monarch Private Investments, LLC (Guarantors) would provide a completion and permanent repayment guaranty for the Development.

While finalizing negotiations on the loan agreement and conditional grant agreement for another development it was realized that the City's loan is a recourse loan requiring a full repayment guaranty. However, the permanent guaranty requirement impacts the ability for the 4% housing tax credits, which will fund a portion of the costs for the Development, to be reallocated by the Investor for the Development. Therefore, Investors will not invest or participate under any scenario where the debt is full recourse.

For the conditional grant agreement, the nonprofit entity will execute the conditional grant agreement and simultaneously loan the \$199,000.00 of 2012 General Obligation Bond funds to TCV for the proposed Development. To collateralize the loan from the nonprofit entity to TCV, the loan documents for \$199,000.00 loan will be assigned by the nonprofit entity to the City. It was intended for the nonprofit entity to assign its obligations under the related conditional grant agreement to TCV. The resolutions adopted by Council allow for the conduit loan structure; however, it does not allow for the nonprofit entity to assign its obligations to TCV.

To remedy this situation and to move forward with closing the transaction, staff proposes the following amendment to the terms previously agreed upon in Resolution Nos. 19-0387 and 19-0945 for the loan and conditional grant agreements:

1. Remove the requirement of Guarantors to provide full, unconditional guarantees of repayment for TCV; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by TCV to its senior construction lender, if allowed by the permanent lender; and
3. Add a minimum investment requirement for TCV of \$25,000,000.00 to construct the improvements for the Development as additional consideration; and
4. Allow the nonprofit entity to assign certain obligations under the conditional grant agreement to TCV.

Staff recommends amending the terms since there will be adequate measures in place to secure the City's financing. The Guarantors are providing completion and payment guaranty for construction in addition to an operating deficit guaranty to fund operating deficits on behalf of TCV. The City's loan and grant will be secured by a deed of trust on the property and all improvements. All other terms and conditions from the original Resolution No. 19-0387, previously approved on February 27, 2019 and Resolution No. 19-0945, previously approved on June 12, 2019, shall remain unchanged and in full force and effect.

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

On January 25, 2019, the Dallas Housing Finance Corporation (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 Texas Department of Housing and Community's (TDHCA's) 2019 4% Non-Competitive Housing Tax Credit (HTC); (2) a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000.00 in Community Development Block Grant Fund (CDBG) conditioned upon TCV receiving a 2019 4% HTC 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 DHFC to purchase and own the land and to enter into a long-term ground lease with TCV, and take ownership interest in TCV by Resolution No. 19-0387.

On June 12, 2019, City Council authorized 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 TCV of \$3,801,000.00 from \$3,801,000.00 in CDBG funds to \$1,620,154.00 in CDBG funds and \$2,180,846.00 in HOME Investment Partnership Program 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 by Resolution No. 19-0945.

On August 13, 2019, the DHFC Board of Directors authorized a supplemental inducement of multifamily mortgage revenue bonds in an amount not to exceed \$25,000,000.00.

City Council was briefed by memorandum regarding this matter on September 13, 2019.

### **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

September 25, 2019

**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**, 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**, 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**, on February 27, 2019, City Council confirmed (1) that it has no objection as to TX Casa View 2018, Ltd.'s application to the Texas Department of Housing and Community Affairs (TDHCA's) 2019 4% Non-Competitive Housing Tax Credit (HTC); (2) authorized, conditioned upon TX Casa View 2018, Ltd. receiving a 2019 4% Housing Tax Credit award, a development loan agreement with TX Casa View 2018, Ltd. or an affiliate thereof in an amount not to exceed \$3,801,000.00 in Community Development Block Grant Fund (CDBG); (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 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., and take an ownership interest in TX Casa View 2018 by Resolution No. 19-0387; and

**WHEREAS**, on June 12, 2019, City Council authorized a first amendment to Resolution No.19-0387, previously approved on February 27, 2019, to: (1) amend the funding source for the development loan amount with TX Casa View 2018, Ltd. of \$3,801,000.00 from \$3,801,000.00 in CDBG funds to \$1,620,154.00 in CDBG funds and \$2,180,846.00 in HOME Investment Partnership Program funds, and (2) allow the closing of the TX Casa View 2018, Ltd. grant/loan to occur prior to closing on the equity and all other financing for the development by Resolution No. 19-0945; and

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

**Now, Therefore,**

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

September 25, 2019

**SECTION 1.** That the terms and conditions of ~~agreed upon in~~ Resolution No. 19-0387, as amended, ~~and Resolution No. 19-0945 for the loan and conditional grant agreements~~ are ~~is~~ hereby amended as follows:

1. Remove the requirement of Generation Housing Partners, LLC, Hill Tide Partners, LLC, and Monarch Private Investments, LLC (Guarantors) to provide full, unconditional guarantees of repayment for the Estates at Shiloh development, for the grant and the loan; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by TX Casa View 2018, Ltd. to its senior construction lender, if allowed by the permanent lender, for the grant and the loan; and
3. Add a minimum investment requirement for TX Casa View 2018, Ltd. of \$25,000,000.00 to construct the improvements for the Estates at Shiloh development as additional consideration, for the grant and loan; and
4. Allow the nonprofit entity to assign certain obligations under the conditional grant agreement to TX Casa View 2018, Ltd.

**SECTION 2.** That all other terms and conditions contained in Resolution No. 19-0387, previously approved on February 27, 2019 and Resolution No. 19-0945 approved on June 12, 2019, shall remain unchanged and in full force and effect.

**SECTION 3.** 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 4.** 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.



Agenda Information Sheet

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**File #:** 19-1433

**Item #:** 36.

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** September 25, 2019  
**COUNCIL DISTRICT(S):** 8  
**DEPARTMENT:** Office of Economic Development  
**EXECUTIVE:** Michael Mendoza

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**SUBJECT**

Authorize the second amendment to Resolution No. 19-0385, previously approved on February 27, 2019, as amended and the first amendment to Resolution No. 19-0944, previously approved on June 12, 2019, for a mixed-income multifamily residential development to be located at 7202 South Westmoreland Road (Development) to: **(1)** remove the permanent repayment guaranty requirement of Palladium USA, Inc.; **(2)** add to the requirement that the City only be added as an additional obligee on the payment and performance bonds furnished by Palladium Redbird, Ltd. to its senior construction lender, if allowed by the permanent lender; **and (3)** add a minimum investment requirement for Palladium Redbird, Ltd. of \$30,000,000.00 to construct the improvements for the Development as additional consideration; **(4)** clarify that the nonprofit entity may assign certain obligations under the conditional grant agreement to Palladium Redbird, Ltd.; and (5) allow the City's deed restrictions to be subordinate to the U.S. Department of Housing and Urban Development covenants and restrictions, to the extent that they do not conflict - Financing: No cost consideration to the City

**BACKGROUND**

On February 27, 2019, City Council authorized a development loan with Palladium Redbird, Ltd. (PRL) and conditional grant agreement with a to be determined nonprofit to acquire land, and construct a new, 300-unit, multifamily complex with structured parking for approximately 450 spaces at the site of the former Red Bird/Southwest Center Mall. Crossroads Housing Development Corporation (Crossroads) has been selected as the nonprofit. The proposed Development will have two 4-story buildings with elevators. Planned amenities include a clubhouse with a fitness center, a business center, a club room, a resort-style swimming pool, a playground, pedestrian access to the Redbird Mall Area, and a dog park. PRL is an affiliate of Palladium USA International, Inc. who will serve as the co-developer for the Development along with the City of Dallas Housing Finance Corporation (DHFC). As part of the terms, Palladium USA, Inc. (Guarantor) would provide a completion and permanent repayment guaranty for the Development.

Staff has been working with PRL and Crossroads to finalize negotiations on the loan agreement and conditional grant agreement. During negotiations, it was realized that the City's loan is a recourse loan requiring a full repayment guaranty. However, the permanent guaranty requirement impacts the ability for the 4 percent housing tax credits, which will fund a portion of the costs for the Development, to be reallocated by the Investor for the Development. Therefore, Investors will not invest or participate under any scenario where the debt is full recourse.

For the conditional grant agreement, Crossroads will execute the conditional grant agreement and simultaneously loan the \$2,028,424.00 of 2012 General Obligation Bond funds to PRL for the proposed Development. To collateralize the loan from Crossroads to PRL, the loan documents for \$2,028,424.00 loan will be assigned by Crossroads to the City. It was intended for Crossroads to assign its obligations under the related conditional grant agreement to PRL. The resolutions adopted by Council allow for the conduit loan structure; however, it does not allow for the nonprofit entity to assign its obligations to PRL.

Additionally, PRL is utilizing a 221(d)(4) U.S. Department of Housing and Urban Development (HUD) permanent loan to finance the Development. HUD requires payment and performance bonds for construction of the Development. The City under its terms for the loan agreement and conditional grant agreement required PRL to provide a completion guaranty or accepted the City being an additional obligee on the payment and performance bonds required by the construction lender. But, staff was informed that HUD does not allow additional obligees on payment and performance bonds. Staff has requested that HUD reconsider adding the City as an additional obligee.

HUD also requires the City to subordinate its deed restrictions. The terms and conditions approved by Council allows the City's lien securing financing to be subordinate to the senior lender. However, the City's deed restrictions which run with the land cannot be subordinated. HUD's restrictions are more restrictive than the City's.

To remedy these situations and to move forward with closing the transaction, staff proposes the following amendments to the terms of the loan and conditional grant agreements:

1. Remove the requirement of Guarantor, to provide full, unconditional guarantees of repayment for PRL; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by PRL to its senior construction lender, if allowed by the permanent lender; and
3. Add a minimum investment requirement by PRL of \$30,000,000.00 to construct the improvements for the Development as additional consideration; and
4. Allow Crossroads to assign certain obligations under the conditional grant agreement to PRL; and
5. Allow the City's deed restrictions to be subordinate to HUD's covenants and restrictions, to the extent that it does not conflict with the City's requirements.

Staff recommends amending the terms since there will be adequate measures in place to secure the City's financing. The Guarantor is providing completion and payment guaranty for construction in addition to an operating deficit guaranty to fund operating deficits on behalf of PRL. The City's loan and grant are will be secured by a deed of trust on the property and all improvements. All other terms and conditions from the original Resolution No. 19-0385, previously approved on February 27, 2019 and Resolution No. 19-0944, previously approved on June 12, 2019, shall remain unchanged and in full force and effect.

### **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 Palladium Redbird, Ltd. 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 West Camp Wisdom Road and South 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., and take an ownership interest in Palladium Redbird, Ltd. by Resolution No. 19-0385.

On June 12, 2019, City Council authorized an amendment to Resolution No. 19-0385 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 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 3rd lien position

City Council was briefed by memorandum regarding this matter on September 13, 2019.

### **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

September 25, 2019

**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 West 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 percent 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 West Camp Wisdom Road and South 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., and take an ownership interest in Palladium Redbird, Ltd. by Resolution No. 19-0385; and

September 25, 2019

**WHEREAS**, on June 12, 2019, City Council authorized the first amendment to Resolution No.19-0385 to: (1) amend the development loan amount with Palladium Redbird, Ltd. or an affiliate 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, Ltd. 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, Ltd. and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, (4) allow Palladium Redbird, Ltd. 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 3rd lien position; 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 terms and conditions of ~~agreed upon in~~ Resolution Nos. 19-0385, as amended, is hereby ~~and 19-0944 for the loan and conditional grant agreements are hereby~~ amended as follows:

1. Remove the requirement of Palladium USA, Inc. (Guarantor) to provide full, Resounconditional guarantee of repayment for Palladium Redbird development, for the grant and the loan; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by Palladium Redbird, Ltd. to its senior construction lender, if allowed by the permanent lender, for the grant and the loan; and
3. Add a minimum investment requirement by Palladium Redbird, Ltd. of \$30,000,000.00 to construct the improvements for the Palladium Redbird development as additional consideration, for the grant and the loan; and
4. Allow the nonprofit entity to assign certain obligations under the conditional grant agreement to Palladium Redbird, Ltd.; and
5. Allow the City’s deed restrictions to be subordinate to HUD’s covenants and restrictions, to the extent that it does not conflict with the City’s requirements.

September 25, 2019

**SECTION 2.** That all other terms and conditions contained in Resolution No. 19-0385, previously approved on February 27, 2019, as amended by ~~and~~ Resolution No. 19-0944, previously approved on June 12, 2019, shall remain unchanged and in full force and effect. ~~and binding upon Palladium Redbird, Ltd. and DHFC.~~

**SECTION 3.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 4.** 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.



Agenda Information Sheet

**File #:** 19-1436

**Item #:** 37.

**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality

**AGENDA DATE:** September 25, 2019

**COUNCIL DISTRICT(S):** 14

**DEPARTMENT:** Office of Economic Development

**EXECUTIVE:** Michael Mendoza

**SUBJECT**

Authorize the second amendment to Resolution No. 19-0360, previously approved on February 27, 2019, [as amended](#), and the first amendment to the development loan with City of Dallas Housing Finance Corporation (DHFC) for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street (Development) to: **(1)** remove the permanent repayment guaranty requirement of RMGM Bryan Street, LLC; **(2)** add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan Street, LLC to its senior construction lender, if allowed by the permanent lender; and **(3)** add a minimum investment requirement for DHFC and 2400 Bryan Street, LLC of \$45,000,000.00 to construct the improvements for the Development - Financing: No cost consideration to the City

**BACKGROUND**

On February 27, 2019, City Council authorized a development loan and conditional grant agreement with 2400 Bryan Street, LLC (2400 Bryan) 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 proposed 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. As part of the terms, RMGM Bryan Street, LLC (Guarantor) would provide a completion and permanent repayment guaranty 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.

On June 12, 2019, City Council authorized a development loan agreement with the City of Dallas Housing Finance Corporation (DHFC), instead of 2400 Bryan, for acquisition of land and construction, in Community Development Block Grant (CDBG) funds. On July 16, 2019, the DHFC closed on the land for the Development. While finalizing the loan documents for closing, it was realized that the City's loan is a recourse loan requiring a full repayment guaranty from Guarantor. However, the permanent guaranty requirement impacts the ability for the 9% housing tax credits, which will fund a portion of the costs for the Development, to be reallocated by the Investor for the Development. Therefore, Investors will not invest or participate under any scenario where debt is full recourse.

To finalize closing of the land, staff proposed bringing forward the following amendments to the terms previously agreed upon for Council approval:

1. Remove the requirement of Guarantor to provide full, unconditional guarantees of repayment for 2400 Bryan and the DHFC; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan to its senior construction lender, if allowed by the permanent lender; and
3. Add a minimum investment requirement for 2400 Bryan and DHFC of \$45,000,000.00 to construct the improvements for the Development as additional consideration.

Staff recommends amending the terms since there will be adequate measures in place to secure the City's financing. The Guarantor is providing completion and payment guaranty for construction in addition to an operating deficit guaranty to fund operating deficits on behalf of 2400 Bryan and DHFC. The City's loan and grant will be secured by a deed of trust on the property and all improvements. All other terms and conditions from the original Resolution No. 19-0360 approved on February 27, 2019, Resolution No. 19-0943 approved on June 12, 2019 and Contract No. HOU-2019-00010717, shall remain unchanged and in full force and effect.

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

On January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' 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 CDBG 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 DHFC 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 12, 2019, City Council authorized 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 or an affiliate 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 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 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

City Council was briefed by memorandum regarding this matter on September 13, 2019.

### **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

September 25, 2019

**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 (DHFC) 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 in Community Development Block Grant Funds (CDBG); (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 DHFC 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**, on June 12, 2019, City Council authorized 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 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 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; 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:**

September 25, 2019

**SECTION 1.** That the City Manager is hereby authorized to execute a first amendment to the development loan agreement, approved to form by the City Attorney, with DHFC to remove the permanent repayment guaranty requirement of RMGM Bryan Street, LLC, to add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan Street, LLC to its senior construction lender, if allowed by the permanent lender and to add a minimum investment requirement for 2400 Bryan and DHFC of \$45,000,000.00 to construct the improvements for the 2400 Bryan Street development.

**SECTION 2.** That the terms and conditions of ~~agreed upon in~~ Resolution Nos. 19-0360, as amended, is ~~and 19-0943 for the loan and conditional grant agreements with 2400 Bryan are~~ hereby amended as follows:

1. Remove the requirement of RMGM Bryan Street, LLC, to provide full, unconditional guarantee of repayment for the 2400 Bryan development, for the grant and loan;
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan Street, LLC to its senior construction lender, if allowed by the permanent lender, for the grant and loan; and
3. Add a minimum investment requirement by 2400 Bryan and DHFC of \$45,000,000.00 to construct the improvements for 2400 Bryan development as additional consideration, for the grant and loan.

**SECTION 3.** That all other terms and conditions contained in Contract No. HOU-2019-00010717, Resolution No. 19-0360, approved on February 27, 2019 and Resolution No. 19-0943 approved on June 12, 2019, shall remain unchanged and in full force and effect and binding upon 2400 Bryan and DHFC.

**SECTION 4.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation until such time as the agreements are duly approved by all parties and executed.

**SECTION 5.** 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.



Agenda Information Sheet

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**File #:** 19-1397

**Item #:** 50.

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**STRATEGIC PRIORITY:** Human and Social Needs  
**AGENDA DATE:** September 25, 2019  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Office of Strategic Partnerships & Government Affairs  
**EXECUTIVE:** Kimberly Bizer Tolbert

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**SUBJECT**

Authorize an Interlocal Agreement with Dallas County to procure professional services for a Census 2020 Participation Initiative for the period [September 25, 2019 through July 1, 2020](#) [October 15, 2019 through September 30, 2020](#) - Not to exceed \$1,000,000.00 - Financing: General Fund

**BACKGROUND**

Texas Government Code, Chapter 791, authorizes local governments of the state to enter into contracts for governmental functions and services to increase their efficiency and effectiveness.

The United States Constitution requires that a Census count be conducted every ten years. The population count is then used to reapportion federal and state legislative districts, and to distribute billions in federal funds to states and local communities for schools, roads, housing, social services and much more. Private entities also rely on this data for key business decisions.

[Texas receives an estimated \\$43 billion annually in federal funds based on United States Census Bureau data. Each uncounted person represents a loss of approximately \\$1,578. In Fiscal Year 2016, Texas received \\$59.4 billion based on Decennial Census Data, which is approximately \\$2,132 for every Texas resident.](#) The City of Dallas ("City") has over 200 Census tracts that are designated "hard to count" ("HTC") because previous Census response rates are 73 percent or less. It is critical that all residents of Dallas are counted.

Over the past year, the City of Dallas has been hard at work on the Census 2020 outreach effort. The work City staff has completed includes developing a comprehensive strategic plan, mobilizing members of the City of Dallas Mayor's Complete Count Committee (appointed by former Mayor Mike Rawlings with recommendations from the City Council), and laying the foundation for an awareness campaign, which is scheduled to be launched in the coming weeks.

City staff has also engaged with multiple civic organizations, business leaders, faith-based organizations, media outlets, government agencies at the local, state, and federal level, and others. The City of Dallas has been working with representatives from Dallas County ("County") since July 2018, ensuring their participation in, and awareness of, the City's efforts.

The purpose of this Interlocal Agreement is to establish a cooperative agreement whereby the City and County work together to most efficiently obtain a complete count of individuals in the City and County. The City and County can more efficiently utilize taxpayer funds by collaborating on contracting with an outside vendor, taking advantage of economies of scale.

Dallas County released a Request for Proposal ("RFP") on September 3, 2019 to contract with a vendor to provide Census outreach on behalf of the entire County. Bids will be evaluated by City and County staff, and a contract is expected to be awarded by the County in November 2019. As part of the RFP, the vendor will be required to use the framework already developed by the City of Dallas as a launch pad for their efforts to ensure momentum continues on the progress the City has made.

The successful vendor will have four overarching tasks: (1) Census Campaign Strategy Management and Oversight; (2) Census Data - Analysis, Mapping, and Reporting; (3) Census Messaging and Marketing; and (4) Community-Based Engagement.

Additionally, the selected vendor must work closely and coordinate with the City of Dallas Mayor's Complete Count Committee and share data, tools, and other materials. The vendor will evaluate the City's Census outreach campaigns and other processes and provide feedback and a set of tools, templates, other materials that can be utilized for the 2020 Census. Strategies shall be deployed in tandem and in collaboration with the work already being done by the City of Dallas to reach specific HTC populations as well as implementing HTC efforts in other cities across Dallas County to successfully achieve a complete and thorough count.

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

The Human and Social Needs Committee was briefed on the City of Dallas's Census 2020 Strategy on March 18, 2019.

City Council was briefed [on](#) regarding this item on September 18, 2019.

### **FISCAL INFORMATION**

General Fund - \$1,000,000.00

September 25, 2019

**WHEREAS**, the United States Constitution requires that a Census count be conducted every ten years; and

**WHEREAS**, the Census population count is used to reapportion federal and state legislative districts, City Council districts, and to distribute billions in federal funds to states and local communities for schools, roads, housing, social services and much more; and

~~**WHEREAS**, according to the United States Census Bureau, Texas receives an estimated \$43 billion annually in federal funds based on Census data and each uncounted person represents a loss of approximately \$1,5780.00; and~~

**WHEREAS**, in Fiscal Year 2016, Texas received \$59.4 billion based on Decennial Census Data, which is approximately \$2,132 for every Texas resident; and

**WHEREAS**, it is critical that all residents of Dallas are counted; and

**WHEREAS**, the City of Dallas has over 200 Census tracts that are designated “hard to count” because previous Census response rates are 73 percent or less; and

**WHEREAS**, over the past year, the City of Dallas has been hard at work on the Census 2020 outreach effort; and

**WHEREAS**, City staff has engaged with multiple civic organizations, business leaders, faith-based organizations, media outlets, government agencies at the local, state, and federal level, and others; and

**WHEREAS**, the City of Dallas has been working with representatives from Dallas County since July 2018, ensuring their participation in, and awareness of, the City of Dallas’ efforts; and

**WHEREAS**, in order to ensure a complete count of all Dallas residents, the City will establish a cooperative agreement whereby the City of Dallas and Dallas County work together to most efficiently obtain a complete count of individuals in the City and County; and

**WHEREAS**, the City and County can more efficiently utilize taxpayer funds by collaborating on contracting with an outside vendor, taking advantage of economies of scale; and

**WHEREAS**, the City of Dallas seeks to enter into an Interlocal Agreement with Dallas County to seek qualified vendors with the experience and capabilities to enhance the City of Dallas’s 2020 Census program and to oversee and perform Dallas County’s 2020 Census participation initiative.

September 25, 2019

**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 an Interlocal Agreement with Dallas County, approved as to form by the City Attorney, to procure professional services for a Census 2020 Participation Initiative for the period ~~September 25, 2019 through July 1, 2020~~ October 15, 2019 through September 30, 2020 and execute any and all documents required by the Interlocal Agreement.

**SECTION 2.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$1,000,000.00, in periodic payments to Dallas County (014003) from General Fund, Fund 0001, Department MGT, Unit 1145, Object 3070 for the 2020 Census Outreach.

**SECTION 3.** 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.