

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council  
SUBJECT **February 12, 2020 City Council FINAL Agenda - Additions/Revisions/Deletions**

On January 31, 2020, a DRAFT City Council Agenda for February 12, 2020 was provided for your review. This memo outlines 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:**

30. 20-224 Authorize a ratification of the fourth amendment to Resolution No. 19-0360, previously approved on February 27, 2019, as amended, and the third amendment to the Community Development Block Grant development loan agreement with the City of Dallas Housing Finance Corporation (DHFC) for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: (1) amend the loan maturity to the 15<sup>th</sup> anniversary from the date of conversion from construction financing to permanent financing plus 6 months or 6 months from the maturity date of the senior lender note, whichever is later; and (2) increase the minimum investment requirement by DHFC and 2400 Bryan Street, LLC from \$45,000,000.00 to \$45,500,000.00 - Financing: No cost consideration to the City
31. 20-225 Authorize (1) the adoption of a Resolution of Support for Dallas Sorcery Road, Ltd., an affiliate of Palladium USA International, Inc. (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of the Dallas Sorcery Road Apartments; and (2) an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund
32. 20-226 Authorize (1) the adoption of a Resolution of Support for Dallas Stemmons, Ltd., an affiliate of Palladium USA International, Inc. (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of Dallas

DATE February 7, 2020

SUBJECT **February 12, 2020 City Council FINAL Agenda - Additions/Revisions/Deletions**

Stemmons Apartments; and (2) an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund

33. 20-227 Authorize (1) the adoption of a Resolution of Support for Dallas Stemmons, Ltd., an affiliate of Palladium USA International, Inc. (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of Dallas Stemmons Apartments; and (2) an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund
34. 20-229 Authorize (1) the adoption of a Resolution of Support for Juliette Fowler Senior Affordable Housing, LP, or its affiliate (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of Juliette Fowler Residences; and (2) authorize an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund
35. 20-230 Authorize (1) the adoption of a Resolution of Support for The Magenta, LLC, an affiliate of Saigebrook Development, LLC (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of The Magenta; and (2) an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund
36. 20-231 Authorize (1) the adoption of a Resolution of Support for Villas at WH 20, LP, or its affiliate (Applicant), related to its application to the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credits for the development of Villas at Western Heights; and (2) an agreement with the Applicant for a line of credit in an amount not to exceed \$500.00 for the proposed multifamily development - Not to exceed \$500.00 - Financing: Public/Private Partnership Fund
- PH2. 20-232 A public hearing to receive comments regarding an application by Murdeaux Rehab Development, LP to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Low Income Housing Tax Credits for the Sphinx at Murdeaux Villas located at 125 South Murdeaux Lane; and, at the close of the public hearing adopt a Resolution

DATE February 7, 2020

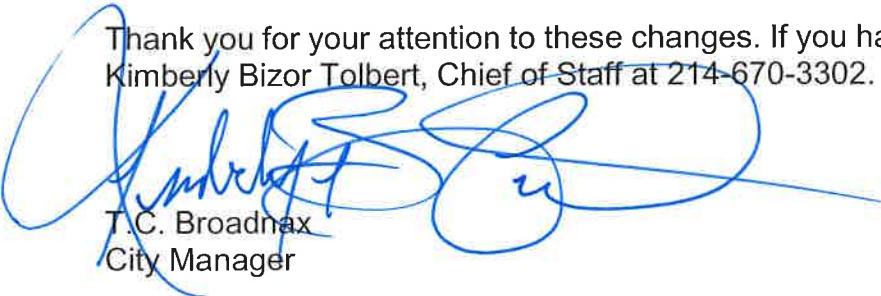
SUBJECT **February 12, 2020 City Council FINAL Agenda - Additions/Revisions/Deletions**

of No Objection for Murdeaux Rehab Development, LP, or its affiliate, related to its application to TDHCA for the acquisition and rehabilitation of the Sphinx at Murdeaux Villas - Financing: No cost consideration to the City

**Revisions:**

18. 20-191 Authorize (1) the acceptance of a donation of the sculpture "Adelfa Callejo," by German Michel Leal, valued at \$100,000.00, from the Callejo-Botello Foundation (Foundation) to be installed by the Foundation at Main Street Garden Park located at 1902 Main Street; (2) the acceptance of a monetary donation in an amount not to exceed \$10,000.00 from the Foundation for maintenance and conservation of the sculpture; (3) the receipt and deposit of funds from the Foundation in an amount not to exceed \$10,000.00 in the Office of Cultural Affairs Gifts and Donations Fund; (4) an increase in appropriations in an amount not to exceed \$10,000.00 in the Office of Cultural Affairs Gifts and Donations Fund; and (5) a contract with the Foundation to make the donations and install the sculpture, approved as to form by the City Attorney - Not to exceed \$10,000.00 - Financing: Office of Cultural Affairs Gifts and Donations Fund

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  
Bilierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
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Majed A. Al-Ghafry, Assistant City Manager  
Elizabeth Reich, Chief Financial Officer  
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Michael Mendoza, Chief of Economic Development and Neighborhood Services  
Laila Alequresh, Chief Innovation Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT Agenda Item #18, February 12, 2020 - Adelfa Callejo Sculpture Donation

On February 12, 2020, City Council will consider a contract to accept a sculpture depicting Adelfa Callejo. The Quality of Life, Arts and Culture Committee reviewed and unanimously recommended City Council action on February 12, 2020, to accept the donation for placement at Main Street Garden. The Committee also requested the proposed site for placement at the location, which is included with this memorandum.

However, on February 6, 2020, the Park & Recreation Board deferred action to approve the park site in order to gather public input. Therefore, staff will provide an alternate motion for City Council consideration on February 12, 2020. The alternate motion will accept the donation for placement at Main Street Garden Park, at a specific site to be subsequently approved by the Park & Recreation Board.

Additionally, the alternate motion will include additional terms recently requested by the Callejo-Botello Foundation granting them the right-of-first refusal upon deaccession from the public art collection and limited commercial use of the image of the sculpture.

The recommended contract authorizes the acceptance of the donation from the Foundation of the sculpture "Adelfa Callejo," created by artist Michel German Leal, valued at \$100,000.00, and its installation by the Foundation at the northeast corner of Main Street Garden located at 1920 Main Street. In accordance with the City of Dallas Cultural Policy, the donor is providing a \$10,000.00 donation, or 10% of the value, for future conservation and maintenance costs.

Adelfa Callejo was the first Latina to graduate from Southern Methodist University School of Law, the first Latina to practice law in Dallas, and one of the first Latinas nationwide to receive a law degree. Callejo represented the disadvantaged as an acclaimed civil rights lawyer. Among her numerous accomplishments, she served as regional president of the Hispanic National Bar Association, director of the State Bar of Texas, and founder and past president of the Mexican-American Bar Association of Texas.

If you have questions, please contact Jennifer Scripps, Director of Arts and Culture.

A handwritten signature in blue ink that reads "Joey Zapata".

Joey Zapata  
Assistant City Manager

DATE  
SUBJECT

February 7, 2020

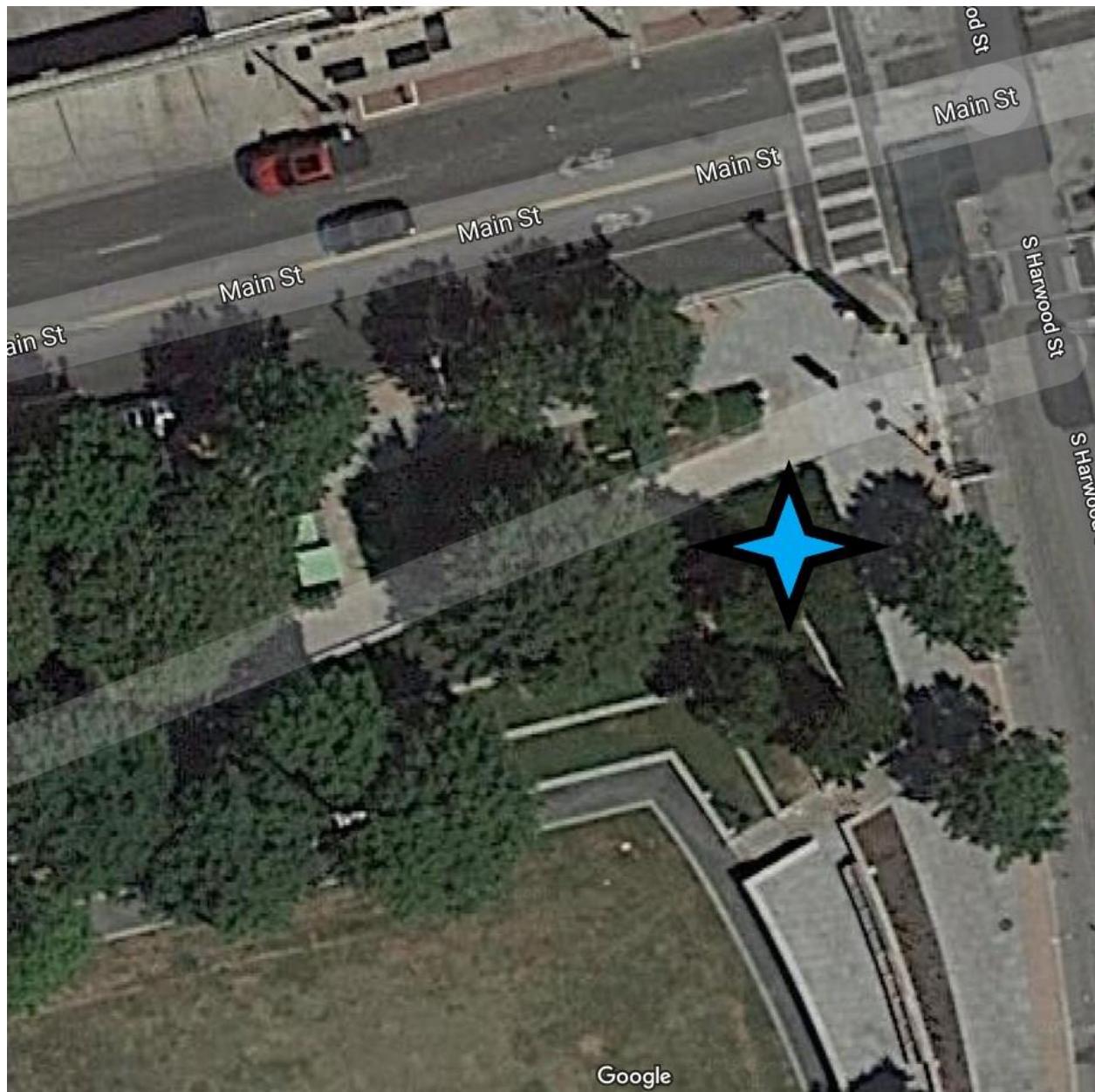
Agenda Item #18, February 12, 2020 - Adelfa Callejo Sculpture Donation

c:

T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Bilierae Johnson, City Secretary  
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Directors and Assistant Directors

Proposed Site: Main Street Garden Northeast Corner – Opposite UNT Law School



# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT Strategic Mobility Plan (Connect Dallas) Update

The purpose of this memorandum is to provide an update on the planning activities for the Strategic Mobility Plan (Connect Dallas).

## Fall Survey 2019

As part of the public engagement process for Connect Dallas, the City's first-ever five-year strategic transportation vision, the public was given the opportunity to weigh-in on their travel priorities and major goals for the project via an online or paper survey. This survey was the first major touchpoint between Connect Dallas and the public. Both paper and online surveys were provided in English and Spanish. The online survey, which was live from August 20, 2019 to November 30, 2019, received 4,387 responses. Of these, 4,371 were English responses and 16 were Spanish responses. Paper surveys, which were handed out during several community events, received 219 responses. In total, this process yielded over 4,600 completed surveys, exceeding the initial goal of 4,000 surveys.

## Small Group Outreach Meetings

As part of the public outreach process, the Connect Dallas team organized small on-site group meetings and tethered presentations to large events such as National Night out, Age Friendly Expo, monthly meetings at South Dallas/Fair Park Transportation Initiative and recreation centers across the City. Multiple organizations including the Regional Hispanic Contractors Association, Asian American Contractors Association of Texas, Youth Commissioners Court, and many other organizations were presented with content from Connect Dallas, including opportunities to give feedback on the needs of their communities and stakeholder groups. The feedback given at these events have been compiled and will be shown in a finalized public outreach summary document.

## Mobility Advisory Committee & Partner Agency Committee

On January 22 and 23, 2020, the Department of Transportation hosted its third Mobility Advisory Committee (MAC) meeting and first Partner Agency Committee (PAC) meeting for Connect Dallas. The focus of this particular Mobility Advisory Committee meeting was to provide Strategic Mobility Plan (SMP) updates, opportunities for input, and discussion on items such as the orientation of each member to the scenario planning process, an overview of the upcoming Connect Dallas Symposium, Critical Catalytic projects and Policy Modernization exercises to shape the outcome of the Action Plan. The Partner Agency Committee meeting was largely focused on garnering insights on mobility challenges facing the City from our partner agencies' perspectives, ongoing initiatives within their organizations, critical feedback on policies, programs and project recommendations for the plan. In addition, an overview of the Mobility Symposium was given, along with opportunities to identify partner linkages and involvement within the Symposium itself.

## Spring Survey 2020

The next phase for Connect Dallas involves the deployment of a technical survey to the broader public, known as the Metroquest platform. As a proven tool used by many partner agencies

DATE February 7, 2020  
SUBJECT Strategic Mobility Plan (Connect Dallas) Update

including TxDOT, this survey allows the City to gather thousands of data points within a few short minutes from survey-takers. Typically, the Metroquest Survey generates anywhere from 30%-60% higher participation rate than the standard survey deployed last year. The purpose for having two surveys stems largely from being able to develop inroads and outreach channels with the first survey to ease the process of deploying this second survey, which contains the most opportunity for public input and direction for the Connect Dallas process.

### **Scenario Planning**

The most important elements of the survey and process include input-seeking on the top five most prioritized City strategic priorities and the three possible scenarios for the future of the City's transportation investment plan. The outcome of selecting the most prioritized strategic priorities will result in a fundamentally new method of planning around key transportation infrastructure investments through the use of the sketch planning tool, an analysis platform being developed by the Connect Dallas team to improve the way the City of Dallas Department of Transportation selects and constructs projects to meet City-wide strategic priorities. This sketch planning tool will aid in the evaluation of catalytic projects that have not yet been explored by the City. As a result of the scenario planning process, the Connect Dallas team will put together a preferred investment strategy and implementation plan that reflects the needs of citizens and promotes the best possible outcome for the City's return on transportation infrastructure investment.

### **Wrap-up & Next Steps**

The Connect Dallas Symposium and Mobility Fair is planned for February 27, 2020 at Fair Park and will formally introduce the public to the plan, educate attendees on scenario planning and the preferred investment strategy. After gathering feedback from the symposium, surveys, and other public outreach, the Connect Dallas team will formalize the contents of the action plan. The timeframe for an initial draft document to be available to the City Council is expected to be in late April/ early May 2020. During and after the committee briefing, the City Council will have the opportunity to provide feedback on the document and shape the contents of the final product for formal City Council adoption in May/June 2020.

We look forward to discussing this further at the Transportation and Infrastructure Committee briefing on Tuesday, February 18, 2020.



Majed Al-Ghafry, P.E.  
Assistant City Manager

c:  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Bilierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
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M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

# Memorandum



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CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **Community Development Commission FY 2018-19 Annual Report**

On Thursday, February 6, 2020, the Community Development Commission (CDC) unanimously voted to approve the FY 2018-19 Annual Report. The report is available on the City of Dallas' website through the Office of Budget – Community Development webpage: [CDC FY 2018-19 Annual Report](#)

The Commission will continue to work proactively with City Council, City staff, and the residents of Dallas to improve the lives and living environments of low- and moderate-income persons.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, Interim City Attorney  
Mark Swann, City Auditor  
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# Memorandum



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TO Honorable Mayor and Members of the City Council

SUBJECT **Atmos Energy Rate Filing**

On January 15, 2020, Atmos Energy Corp., Mid-Tex Division (Atmos) filed a request with the City of Dallas to increase rates. This filing was made under the Dallas Annual Rate Review (DARR) tariff mechanism. Atmos has requested an increase in annual revenues of \$18.3 million, which represents a monthly increase of 9.4 percent, or \$5.48, for the average residential customer. Atmos has requested a June 1, 2020 effective date for the new rates.

Staff is currently reviewing the filing along with the City's gas rate consultant and outside legal counsel. We will brief the City Council on May 6, 2020 and make recommendations for City Council action on May 13, 2020. The statutory deadline for the City to take action on this matter is May 29, 2020.

If you have any questions, please let me know or contact Nick Fehrenbach, Manager of Regulatory Affairs and Utility Franchising in the Office of Budget.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

c:

T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
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# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **City Auditor Transition Special Audit Engagement**

The Office of the City Auditor completed a special audit regarding the former City Auditor and Interim City Auditor in accordance with the City Charter, Chapter IX, Sections 3 and 4. The City Controller's Office reviewed the auditor's completed fieldwork for the former City Auditor and Interim City Auditor who retired on 9/28/2018 and 3/29/2019, respectively. The special audit verified the City Auditor and Interim City Auditor:

- Were deactivated from all City of Dallas Information Systems;
- Terminated timely, terminated accurately, and their final payroll payment was processed;
- Returned City issued identification badges and parking decals;
- Did not have any outstanding debts owed to the City; and
- Returned all City assets previously assigned.

In addition, the auditors noted the following observations in the special audit:

- Administrative Directive 2-51, step 6.6.8 states, "Department retention schedules must be reviewed at least annually for any necessary amendments due to operations changes in the department that effect information needs or new legal requirements to create and retain specific record types." The Office of the City Auditor has not provided an updated Records Retention Schedule to the City Secretary since 2015.
- The former City Auditor did not properly complete the Electronic Termination Notification Form to the City Secretary in accordance with policy.
- Administrative Directive 4-15, step 6.12.2 states "Departmental P-Card Coordinators are required to maintain the Transaction Logs of P-Card transactions, receipts, and reconciliations." Administrative Directive 4-15, step 6.12.4 indicates that "All cardholders will use the Transaction Log Sheets to document justification for purchase, check against master agreements, and document managerial approval. The following observations were identified:
  - Procurement card logs from September 2016-February 2017 and March 2017-October 2017 were unavailable but for these months the cardholder did not have any activity;
  - Procurement card logs from March 2019-April 2019 were unavailable for review but after review of the credit card statements all purchases appeared appropriate; and

DATE February 7, 2020  
SUBJECT **City Auditor Transition Special Audit Engagement**

- Travel card logs from January 2018-February 2018 were unavailable for review but after review of the credit card statement all purchases appeared appropriate.

We appreciate the cooperation we received from the Office of the City Auditor, management, and staff during this audit. If you have any questions or need additional information, please contact Ra-Keba Gordon, Assistant Director Financial Compliance, Auditing and Monitoring, or me.

*Sheri P. Kowalski*  
Sheri Kowalski, CPA, CHC, CIA, CISA  
City Controller

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
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# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **New Procurement Opportunities**

The Office of Procurement Services (OPS) would like to inform the City Council of the following contract opportunities that have been advertised in the last week in the *Dallas Morning News*. These opportunities are also on Bonfire, the City's electronic bid portal: <https://dallascityhall.bonfirehub.com/login>. (Free registration is required to view the opportunity in full.)

In addition, we have updated citywide opportunities for the current quarter on the OPS website: <https://dallascityhall.com/departments/procurement/pages/default.aspx>.

<b>Solicitation No.</b>	<b>Solicitation Name</b>
1. CIZ1897	Street Reconstruction: 1) Donny Brook Lane from North Prairie Road to Riverway Drive and 2) Palisade Drive from North Prairie Creek Road to Riverway Drive (Public Works Department)*
2. CIZ1898	Phase 2 Aquatic Facilities, Bachman Regional Aquatic Center (Park and Recreation Department)*
3. BL20-00012686	Refuse Trucks Camera System
4. BKZ20-00012540	Benefits Consulting Services
5. BYZ20-00012758	On-Demand, Online Tutoring and Homework Support for the Library

*\*Solicitations that begin with a "C" are for construction projects and the issuing department handles those procurements directly. OPS only advertises and unseals submissions for the construction procurements.*

Once an opportunity/solicitation is advertised, it is considered an open procurement until the City Council awards the contract. Please be advised that Section 12A-15.8(g) of the Code of Ethics prohibits communication between councilmembers and bidders or proposers on open procurements.

DATE February 7, 2020  
SUBJECT **New Procurement Opportunities**

Should you have any questions, please contact Chhunny Chhean, Interim Director of Procurement Services.



for M. Elizabeth Reich  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Chris Caso, Interim City Attorney  
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# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO The Honorable Mayor and Members of the City Council  
SUBJECT **Upcoming Agenda Items: General Obligation Refunding and Improvement Bonds, Series 2020; Certificates of Obligation, Series 2020; Equipment Notes, Series 2020**

The February 12, 2020 Council agenda includes two items (20-187 and 20-188, attached) that must be considered collectively to authorize staff to prepare for the sale of General Obligation Refunding and Improvement Bonds, Series 2020; Certificates of Obligation, Series 2020; and Equipment Notes, Series 2020; and authorize the publication of Notice of Intention to Issue Certificates of Obligation, as required by state law.

Please note that these items are only the preliminary steps to prepare for issuance. We will request your authorization to issue the bonds, certificates of obligation, and equipment notes on the April 8, 2020 City Council agenda.

Please let me know if you need additional information or if you would like to meet to discuss.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

cc: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Bilierae Johnson, City Secretary  
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**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** February 12, 2020  
**COUNCIL DISTRICT(S):** N/A  
**DEPARTMENT:** City Controller's Office  
**EXECUTIVE:** Elizabeth Reich

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## **SUBJECT**

A resolution authorizing the preparation of plans and the payment of potential future costs and expenses for the issuances of **(1)** General Obligation Refunding and Improvement Bonds, Series 2020 in an amount not to exceed \$280,000,000; **(2)** Certificates of Obligation, Series 2020 in an amount not to exceed \$16,000,000; and **(3)** Equipment Notes, Series 2020 in an amount not to exceed \$33,000,000 - Total not to exceed \$329,000,000 - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future costs)

## **BACKGROUND**

Pursuant to elections held in November 2017, the residents of Dallas voted and authorized the City to issue general obligation bonds for the purpose of providing funds for permanent public improvements. The adopted FY 2019-20 capital budget assumed the issuance of approximately \$232 million in General Obligation bonds and \$30 million in equipment acquisition notes in FY 2019-20. Additional monies are needed to finance restoration of City facilities damaged by severe storms. The City's financial advisors, PFM Financial Advisors LLC, recommend: **(1)** issuance of refunding and improvement bonds to refund a portion of Series 2010C bonds and to finance capital improvement projects at the City, in an amount not to exceed \$280,000,000; **(2)** issuance of certificates of obligation to finance restoration of damages to City facilities following severe storms, in an amount not to exceed \$16,000,000; and **(3)** issuance of equipment notes to finance the purchase of City equipment, in an amount not to exceed \$33,000,000.

The City's financial advisors recommend collectively issuing up to \$329,000,000 in bonds, certificates of obligation, and equipment notes for the purpose of funding capital improvements, repairing structural damage to the City, and for the purchase of necessary equipment to maintain City services. The issuance and sale of the bonds, certificates of obligation, and equipment notes is contingent upon City Council's approval to begin preparations of the issuances, approval of a Notice of Intent to issue Certificates of Obligation concurrently with this item, and parameters Ordinances currently scheduled for consideration and approval by the City Council in April 2020.

## **ESTIMATED SCHEDULE OF PROJECT**

Authorize Preparation for Issuance of Bonds	February 2020
Authorize Notice of Intent	February 2020
Approval of Parameters Ordinances	April 2020
Pricing	April 2020
Delivery of Proceeds	May 2020

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

City Council will be briefed by memorandum regarding this matter on February 7, 2020.

#### **FISCAL INFORMATION**

This action has no cost consideration to the City. The anticipated cost of issuance is \$890,000 from Series 2020 General Obligation Refunding and Improvement Bond Funds, \$110,000 from 2020 Certificates of Obligation Funds, and \$145,000 from 2020 Equipment Acquisition Notes Funds; for a total estimated amount of \$1,145,000. See Attachment I.

Attachment I provides an estimate of bond issuance costs for the proposed bonds, certificates of obligation, equipment notes, and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding and Improvement Bonds, Series 2020; Certificates of Obligation, Series 2020; and Equipment Notes, Series 2020.

Attachment I

Estimate of Total Issuance Costs and M/WBE Participation

	<u>Fees</u>	<u>Percent of Total Costs</u>
<b>Co-Bond Counsel</b>		
Bracewell (Vendor VS0000056820)	\$271,850	24%
West & Associates (Vendor 330805)	\$163,600	14%
<b>Disclosure Counsel</b>		
Norton Rose Fulbright US LLP (Vendor VC0000006239)	\$150,000	13%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	\$314,350	27%
<b>Printing Fee</b>		
TBD	\$5,000	0%
<b>Paying Agent Fee</b>		
UMB Bank, N.A. (Vendor VS92247)	\$600	0%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	\$90,000	8%
S&P Global (Vendor 954974)	\$107,825	9%
<b>Attorney General Filing Fee</b>	\$28,500	2%
<b>Misc. Expenses</b>	<u>\$13,275</u>	<u>1%</u>
<b>Total Issuance Costs</b>	<u><u>\$1,145,000</u></u>	<u><u>100%</u></u>
Total M/WBE Participation as % of Total Issuance Costs:	\$168,600	15%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding & Improvement Bonds, Series 2020; Certificates of Obligation, Series 2020; and Equipment Notes, Series 2020.

**General Obligation Refunding & Improvement Bonds, Series 2020**  
**\$280,000,000**

Estimate of Issuance Costs and M/WBE Participation

	<u>Fees</u>	<u>Percent of Total Costs</u>
<b>Co-Bond Counsel</b>		
Bracewell (Vendor VS0000056820)	\$207,500	23%
West & Associates (Vendor 330805)	124,000	14%
<b>Disclosure Counsel</b>		
Norton Rose Fulbright US LLP (Vendor VC0000006239)	128,834	14%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	241,650	27%
<b>Printing Fee</b>		
TBD	4,294	0%
<b>Paying Agent Fee</b>		
UMB Bank, N.A. (Vendor VS92247)	200	0%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	77,301	9%
S&P Global (Vendor 954974)	92,610	10%
<b>Attorney General Filing Fee</b>	9,500	1%
<b>Misc. Expenses</b>	4,110	0%
<b>Total Issuance Costs</b>	<u>\$890,000</u>	<u>100%</u>
Total M/WBE Participation as % of Total Issuance Costs:	\$128,294	14%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding & Improvement Bonds, Series 2020.

**Certificates of Obligation, Series 2020 - \$16,000,000**

Estimate of Issuance Costs and M/WBE Participation

	<b>Fees</b>	<b>Percent of Total Costs</b>
<b>Co-Bond Counsel</b>		
Bracewell (Vendor VS0000056820)	\$28,600	26%
West & Associates (Vendor 330805)	17,600	16%
<b>Disclosure Counsel</b>		
Norton Rose Fulbright US LLP (Vendor VC0000006239)	7,362	7%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	32,150	29%
<b>Printing Fee</b>		
TBD	245	0%
<b>Paying Agent Fee</b>		
UMB Bank, N.A. (Vendor VS92247)	200	0%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	4,417	4%
S&P Global (Vendor 954974)	5,292	5%
<b>Attorney General Filing Fee</b>	9,500	9%
<b>Misc. Expenses</b>	<u>4,633</u>	<u>4%</u>
<b>Total Issuance Costs</b>	<u><u>\$110,000</u></u>	<u><u>100%</u></u>
Total M/WBE Participation as % of Total Issuance Costs:	\$17,845	16%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the Certificates of Obligation, Series 2020.

**Equipment Notes, Series 2020 - \$33,000,000**

Estimate of Issuance Costs and M/WBE Participation

	<b>Fees</b>	<b>Percent of Total Costs</b>
<b>Co-Bond Counsel</b>		
Bracewell (Vendor VS0000056820)	\$35,750	25%
West & Associates (Vendor 330805)	22,000	15%
<b>Disclosure Counsel</b>		
Norton Rose Fulbright US LLP (Vendor VC0000006239)	13,804	10%
<b>Financial Advisor</b>		
PFM (Vendor VC16222)	40,550	28%
<b>Printing Fee</b>		
TBD	460	0%
<b>Paying Agent Fee</b>		
UMB Bank, N.A. (Vendor VS92247)	200	0%
<b>Rating Agencies</b>		
Fitch Ratings (Vendor VC14720)	8,282	6%
S&P Global (Vendor 954974)	9,923	7%
<b>Attorney General Filing Fee</b>	9,500	7%
<b>Misc. Expenses</b>	<u>4,531</u>	<u>3%</u>
<b>Total Issuance Costs</b>	<u><u>\$145,000</u></u>	<u><u>100%</u></u>
Total M/WBE Participation as % of Total Issuance Costs:	\$22,460	15%

Note: Payment of fees and expenses is contingent upon the issuance and sale of the Equipment Notes, Series 2020.

February 12, 2020

**WHEREAS**, the adopted Capital Improvement Program, currently underway and scheduled, requires issuance of an amount not to exceed \$280,000,000 of General Obligation Refunding and Improvement Bonds, Series 2020; for the purpose of financing capital improvement projects at the City; and

**WHEREAS**, the adopted Capital Improvement Program, currently underway and scheduled, requires issuance of an amount not to exceed \$33,000,000 of Equipment Notes, Series 2020; for the purpose of financing the purchase of City equipment; and

**WHEREAS**, the City will issue the proposed Certificates of Obligation, Series 2020 in an amount not to exceed \$16,000,000 for the purpose of financing capital improvements to City facilities damaged by severe storms, pursuant to the authority granted by Subchapter C of Chapter 271, Texas Local Government Code (the "Certificate of Obligation Act of 1971"), as amended; and

**WHEREAS**, the General Obligation Refunding and Improvement Bonds, Series 2020; Equipment Notes, Series 2020; and Certificates of Obligation, Series 2020 are collectively referenced herein as the "Bonds;" and

**WHEREAS**, the City Council hereby finds that, in order to accomplish the Issuances in a timely and cost-efficient manner, the City Manager, the City Attorney, the City's Financial Advisors, the City's Co-Bond Counsel, and the City's Disclosure Counsel (collectively, the "Necessary Parties") should be authorized and directed to take such action and prepare documents as necessary in order to accomplish the sale of the Bonds.

**Now, Therefore,**

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

**SECTION 1.** That the Necessary Parties are hereby authorized to take action and prepare documents, including, without limitation, the actions specified in this resolution, needed to accomplish the sale of the Bonds, in a collective principal amount not to exceed \$329,000,000, with the sale of the Bonds scheduled to occur in a timely manner.

**SECTION 2.** That the Necessary Parties are hereby authorized and directed to prepare an Official Statement with respect to such obligations and to take such other action and prepare such other documents as are necessary and incidental to the issuance, sale, and delivery of the Bonds.

**SECTION 3.** That the City Manager is hereby authorized to use the previously contracted professional services of PFM Financial Advisors LLC as financial advisors for the sale of the Bonds. Payment for the advisory services of PFM (VC16222) is estimated to

February 12, 2020

**SECTION 3.** (continued)

be \$314,350 and shall be made from proceeds after delivery of the Bonds.

**SECTION 4.** That the City Manager is hereby authorized to use the previously contracted professional services of Bracewell L.L.P. and West & Associates, P.C. as co-bond counsel in connection with the sale and delivery of the Bonds. If Bonds are issued, payment for the opinion of Bracewell L.L.P. (VS0000056820) shall be at the rate of \$0.30 per \$1,000 increment of obligations issued plus an hourly rate of \$150 to \$475 for services rendered by individual attorneys and paralegals (estimated at a combined amount to be \$271,850), and shall be made from the bond proceeds.

If Bonds are issued, payment for the opinion of West & Associates L.L.P., P.C. (330805) shall be at the rate of \$0.20 per \$1,000 increment of obligations issued plus an hourly rate of \$150 to \$475 for services rendered by individual attorneys and paralegals (estimated at a combined amount to be \$163,600), and shall be made from bond proceeds.

**SECTION 5.** That the City Manager is hereby authorized to use contracted professional services of Norton Rose Fulbright US LLP (VC0000006239) as Disclosure Counsel in connection with the sale and delivery of the Bonds. Payment for the opinion of Norton Rose Fulbright US LLP shall be at the rate of \$0.20 per \$1,000 increment of obligations issued plus an hourly rate of \$475 and lower for services rendered by individual attorneys and paralegals (estimated at a combined amount to be \$150,000) and shall be made from the proceeds after delivery of the Bonds.

**SECTION 6.** That the City Manager is hereby authorized to obtain bond ratings from Fitch Ratings (VC14720) and from Standard & Poor's, Inc. (954974) in connection with the sale of the Bonds. Payment for the bond ratings is estimated to be \$197,825 and shall be made from proceeds after delivery of the Bonds.

**SECTION 7.** That the Chief Financial Officer is hereby authorized to make payments for printing services to print and mail official statements. Payment for printing services is estimated to be \$5,000 and shall be made from the proceeds after delivery of the Bonds.

**SECTION 9.** That the Chief Financial Officer is hereby authorized to make payment to UMB Bank, N.A. for services provided as paying agent/registrar with respect to the Bonds at an annual cost of \$600 plus mailing expenses from the General Fund 0001, Department CCO, Unit 1126, Object 3537, (VS92247) upon issuance of the Bonds.

**SECTION 10.** That the proceeds received from the sale of the Bonds shall be deposited by type in Series 2020 General Obligation Refunding and Improvement Bond Funds, Fund 0682, Department BMS, Unit 0640, Revenue Code 8448; 2020 Certificates of Obligation Funds, Fund 0792, Department BMS, Unit 0644, Revenue Code 8448; 2020 Equipment Acquisition Notes Fund, Fund 0770, Department BMS, Unit 0643,

February 12, 2020

**SECTION 10.** (continued)

Revenue Code 8448. Any accrued interest from these proceeds will be deposited in the Debt Service Fund, Fund 0981, Department BMS, Revenue Code 8438.

**SECTION 11.** That the City Manager is hereby authorized and directed to file an Official Statement with respect to such Bonds and prepare such other documents as are necessary and incidental to the issuance, sale and delivery of the Bonds with the Attorney General; and that the Chief Financial Officer be and is hereby authorized to make the payment for filing with the Attorney General's office (344989) prior to receiving the Bond proceeds. The cost is estimated to be \$28,500 and shall be made from the General Fund 0001, Department CCO, Unit 1126, Object 3537 and shall be reimbursed from Bond proceeds.

**SECTION 12.** That the Chief Financial Officer is hereby authorized to make payments for miscellaneous services relating to the sale of the Bonds. Payments for the miscellaneous services are estimated to be \$13,275 and shall be made after delivery of the Bonds.

**SECTION 13.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**STRATEGIC PRIORITY:** Government Performance and Financial Management  
**AGENDA DATE:** February 12, 2020  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** City Controller's Office  
**EXECUTIVE:** Elizabeth Reich

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### **SUBJECT**

A resolution of the City Council of the City of Dallas, Texas, authorizing the publication of Notice of Intention to Issue Certificates of Obligation; approving the preparation of a preliminary official statement and a Notice of Sale; and providing for the effective date thereof - Financing: No cost consideration to the City

### **BACKGROUND**

The City's financial advisors recommend the issuance of certificates of obligation to finance restoration and capital improvements of City facilities damaged by severe storms, in an amount not to exceed \$16,000,000. Federal tax regulations allow for the reimbursement of capital expenditures from bond or short-term debt proceeds. These regulations can be used to begin implementation prior to issuance of bonds or commercial paper.

Additionally, State law requires City Council approval of a Notice of Intention to Issue Certificates of Obligation under and pursuant to the provisions of the Texas Local Government Code, Section 271.049, as amended.

Passage of this resolution will authorize the publication of the Notice of Intention to Issue Certificates of Obligation and allow for expenditures in advance of the certificates of obligation, scheduled in April 2020.

### **ESTIMATED SCHEDULE OF PROJECT**

Authorize Preparation for Issuance of Bonds	February 2020
Authorize Notice of Intent	February 2020
Approval of Parameters Ordinances	April 2020
Pricing	April 2020
Delivery of Proceeds	May 2020

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

City Council will be briefed by memorandum regarding this matter on February 7, 2020.

## **FISCAL INFORMATION**

No cost consideration to the City.

## EXHIBIT A

### NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Dallas, Texas (the "City"), will meet in the Council Chambers at the City Hall, 1500 Marilla Street, Dallas, Texas, 75201 the regular meeting place of the City Council, at 9:00 a.m. on the 8th day of April 2020, which is the time and place tentatively set for the passage of an ordinance and such other action as may be deemed necessary to authorize the issuance of the City's certificates of obligation (the "Certificates"), in the maximum aggregate principal amount not to exceed \$16,000,000, payable from the levy of a direct and continuing ad valorem tax against all taxable property within the City sufficient to pay the interest on this series of Certificates as due and to provide for the payment of the principal thereof as the same matures, as authorized by Chapter 271, Subchapter C, Texas Local Government Code, as amended, and from all or a part of the surplus revenues of the City's municipal drainage revenue system, such pledge of surplus revenues being limited to \$1,000, bearing interest at any rate or rates not to exceed the maximum interest rate authorized by law, as shall be determined within the discretion of the City Council of the City at the time of issuance of the Certificates, and maturing over a period not to exceed ten (10) years from the date of issuance, for the purposes of evidencing the indebtedness of the City for all or any part of the costs associated with (i) designing, constructing, improving, equipping and furnishing fire station facilities for stations #41 and #19; and (ii) professional services incurred in connection with items (i) and (ii), and to pay the costs incurred in connection with the issuance of the Certificates. The estimated combined principal and interest required to pay the Certificates on time and in full is \$18,000,993.75. Such estimate is provided for illustrative purposes only, and is based on an assumed interest rate of 2.26%. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with the Certificates. As of the date of this notice, the aggregate principal amount outstanding of tax-supported debt obligations of the City is \$2,060,812,115, and based on the City's expectations, as of the date of this notice the combined principal and interest required to pay all of the outstanding tax-supported debt obligations of the City on time and in full is \$3,163,467,690.96.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY, this 12th day of February, 2020.

/s/Bilierae Johnson, City Secretary

City of Dallas, Texas

February 12, 2020

**WHEREAS**, the City Council (the “City Council”) of the City of Dallas, Texas (the “City”), deems it advisable to issue certificates of obligation (the “Certificates”) of the City for the purpose of financing capital improvements to City Facilities and infrastructure and restoration of damages resulting from severe storms in an amount not to exceed \$16,000,000 and in accordance with the notice hereinafter set forth; and

**WHEREAS**, the City desires to approve the preparation of a preliminary official statement (the “Preliminary Official Statement”) and the preparation of a notice of sale (“Notice of Sale”), in anticipation of its issuance of the Certificates; and

**WHEREAS**, the City Council has found and determined that a notice of intention to issue certificates of obligation should be published in accordance with the requirements of Section 271.049 of the Texas Local Government Code; and

**WHEREAS**, it is hereby found and determined that the meeting at which this resolution is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code.

**Now, Therefore,**

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

**SECTION 1.** That the findings, definitions and recitations set out in the preamble to this resolution are found to be true and correct and are hereby adopted by City Council and made a part hereof for all purposes.

**SECTION 2.** That the City Secretary is hereby authorized and directed to cause to be published in the manner required by law and in substantially the form attached hereto as Exhibit A, a notice of the City’s intention to issue the Certificates (the “Notice”).

**SECTION 3.** That the Notice shall be published once a week for two (2) consecutive weeks in a newspaper which is of general circulation in the City, the date of the first publication to be at least forty-six (46) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates. In addition, the Notice shall be posted continuously on the City’s website for at least forty-five (45) days before the date tentatively set in the Notice for the passage of the ordinance authorizing the issuance of the Certificates.

February 12, 2020

**SECTION 4.** That for purposes of section 1.150-2(d) of the Treasury Regulations, this Notice serves as the City's official declaration of intent to use proceeds of the Certificates to reimburse itself from Certificates issued in the maximum principal amount and for expenditures paid in connection with the projects, each as set forth in Exhibit A hereof. Any such reimbursement will only be made (i) for an original expenditure paid no earlier than sixty (60) days prior to the date hereof and (ii) not later than eighteen (18) months after the later of (A) the date the original expenditure is paid or (B) the date of with the project to which such expenditure relates is placed in service or abandoned, but in to event more than three (3) years after the original expenditure is paid.

**SECTION 5.** That the Mayor, City Manager, any Assistant City Manager, the Chief Financial Officer, City Secretary and other appropriate officials of the City, the City's financial advisor, PFM Financial Advisors LLC, disclosure counsel, Norton Rose Fulbright LLP and co-bond counsel, Bracewell LLP and West & Associates, LLP, are authorized and directed to proceed with the preparation of the Preliminary Official Statement and the Notice of Sale, if any, and to make other necessary arrangements for the sale of the Certificates at a future meeting of the City Council of the City.

**SECTION 6.** That the City hereby authorizes the preparation and distribution of a Notice of Sale and Preliminary Official Statement relating to the Certificates and authorizes the Chief Financial Officer or City Manager to approve the final form of and deem final such Preliminary Official Statement within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 of the United States Securities and Exchange Commission.

**SECTION 7.** That the Mayor, City Manager, any Assistant City Manager or the Chief Financial Officer, City Secretary, and other officers and agents of the City are hereby authorized and directed to do any and all things necessary or desirable to carry out the provisions of this resolution.

**SECTION 8.** 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.

(Signature page follows)

February 12, 2020

INTRODUCED, READ AND PASSED by the affirmative vote of the City Council of the City of Dallas, Texas this 12th day of February, 2020.

By: \_\_\_\_\_  
Name: Eric Johnson  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Bilierae Johnson  
Title: City Secretary

[SEAL]

APPROVED AS TO FORM

Christopher J. Caso  
Interim City Attorney

By: \_\_\_\_\_  
Name: Christopher J. Caso  
Title: Interim City Attorney

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Members of the Housing and  
Homelessness Solutions Committee

SUBJECT **Response to Questions Regarding 9% and 4% Housing Tax Credit Applications  
for Resolutions of Support and No Objection**

## Summary

On February 4, 2020, the Housing and Homelessness Solutions Committee (HHSC) was briefed during a special called meeting regarding the 4% and 9% housing tax credit (HTC) applications received by the City for Resolutions of Support and No Objection. During staff's briefing to the HHSC, several questions were raised regarding tax exemption, concerted revitalization plans, application scoring, and other pertinent issues. This memo expands on the discussion and provides answers to questions raised during the briefing.

## Background

### **Dallas Central Appraisal District (DCAD)**

An application by Dallas Stemmons, Ltd. (Applicant) was received for a Resolution of Support for 9% competitive HTCs to develop an 87-unit, mixed income multifamily project (Project). The Applicant proposes the Dallas Housing Finance Corporation (DHFC) purchase and own the development site and serve as 65% owner of the General Partner (GP) of Dallas Stemmons, Ltd. A to be determined historically underutilized business (HUB) will be 35% owner of the GP. Palladium USA International, Inc. will be the sole owner or the Special Limited Partner (SLP) of Dallas Stemmons, Ltd. By having the DHFC own the land and be a majority owner of the GP, it is the Applicant's contention that the property qualifies to receive a property tax exemption from DCAD.

DCAD has granted a property tax exemption on projects with other partnership structures wherein the DHFC owns the land and is sole owner of the GP; however, DCAD has indicated to DHFC counsel that it will not grant a property tax exemption in situations where the DHFC is simply a majority owner of the GP instead of a sole owner as described above.

Applicants receive additional points from the Texas Department of Housing and Community Affairs (TDHCA) for 9% competitive HTCs when the proposed GP is partially owned by a HUB. Because DCAD does not grant a property tax exemption when this structure is utilized, 9% HTC applicants in Dallas County are at a disadvantage. Other area counties, including Tarrant County, have granted tax exemption on a project using this structure in recent application cycles.

Counsel for DHFC and Applicant submitted a request to DCAD to receive a property tax exemption for this project on January 21, 2020. DCAD has not yet provided a response. The property tax exemption request is attached hereto as Exhibit A for your review. It provides additional support for property tax exemption under Tax Code Section 11.11.

DATE  
SUBJECT

February 7, 2020

## **Response to Questions Regarding 9% and 4% Housing Tax Credit Applications for Resolutions of Support and No Objection**

### ***Concerted Revitalization Plans (CRP)***

Per TDHCA's Qualified Action Plan (QAP), 9% competitive HTC applicants can receive up to seven additional points if their plan is located in a CRP. A CRP is a defined area that is targeted by a municipality for revitalization through investment and coordinated development efforts such as a Tax Increment Finance (TIF) District. To receive the full seven points, City Council must declare the applicant's development as "contributing more than any other to the concerted revitalization efforts of the municipality." Only one project can receive this designation per CRP area. If two applicants are given this designation for the same CRP area, then no applicant will receive the additional points per the QAP.

Two applicants are requesting to receive designation as the development that most contributes to the concerted revitalization efforts of the City within the Fort Worth Avenue Corridor. There are two Council authorized plans in this area that could be considered CRPs: The Fort Worth Avenue TIF District and the Fort Worth Avenue Corridor Land Use and Urban Design Plan. One applicant claims the CRPs are separate and additional points can be granted for both developments. The other applicant, who also spoke at the February 4, 2020 briefing, does not consider the CRPs as separate areas. The applicant stated that if the most contributing development designation was given to both applicants, then neither would receive the additional two points, per the QAP.

The HHSC directed staff to research the matter in further detail to determine if the CRPs described above would qualify as two separate areas per the QAP. The Office of Economic Development (OED) Staff and the City Attorney's Office (CAO) reviewed the two proposed CRPs and Section 11.9(7) of the QAP to determine if the plan would meet the requirements of TDHCA as separate CRPs. While the two plans were authorized by separate City Council resolutions, it was unclear if they would be treated as separate plans based on the language contained in the QAP.

Staff also contacted TDHCA to discuss the issue. TDHCA has previously allowed overlapping CRPs to qualify as separate CRPs; however, in this instance, one of the CRP areas was a specifically defined area within a much larger CRP area. The developments were located in different parts of the CRP area.

Conversely, the Fort Worth Avenue plans have almost the exact same geographic boundaries and the applicants' development sites are directly across the street from each other. TDHCA informed staff that even though two separate plans were authorized by Council, their similar geographic areas would not allow them to qualify as separate CRPs.

It is staff's recommendation that only one applicant receive the most contributing development designation. It is staff's opinion that if both applications receive the designation, then neither will receive the additional points. One application should be selected to receive the additional points to ensure the highest possible score resulting in the development of quality, affordable housing within the City.

### ***TDHCA Requirements & Scoring***

TDHCA requires an affordability period of 30 years. 9% competitive HTC applicants can receive additional points for extending the affordability period to 45 years.

DATE  
SUBJECT

February 7, 2020

## **Response to Questions Regarding 9% and 4% Housing Tax Credit Applications for Resolutions of Support and No Objection**

TDHCA does support income averaging. In non-rural areas of the City, TDHCA awards 11 points if the average income of the development is 56%, 13 points if the average income of the development is 55%, and 15 points if the average income of the development is 54%. This does not result

When underwriting applications, TDHCA uses a minimum replacement reserve of \$250 per unit annually when determining project feasibility. These funds held in a reserve account to pay for the future replacement or major repair of building systems and components.

TDHCA provides additional points when a Texas-certified historically underutilized business (HUB) is included on the development team. A HUB must be: 1) a U.S. citizen, 2) a for-profit entity that has not exceeded the size standard prescribed by [34 TAC §20.294](#) and has its principal place of business in Texas, and 3) at least 51 percent owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman and /or a Service Disabled Veteran with a Service related disability of 20% or greater, who resides in Texas and actively participates in the control, operations and management of the entity's affairs. TDHCA receives public comment on the QAP throughout the year.

Should you have any questions or concerns please contact Kyle Hines, Economic Development Manager at [kyle.hines@dallascityhall.com](mailto:kyle.hines@dallascityhall.com)



Michael Mendoza  
Chief of Economic Development and Neighborhood Services

c:	T.C. Broadnax, City Manager Chris Caso, City Attorney (Interim) Mark Swann, City Auditor Bilierae Johnson, City Secretary Preston Robinson, Administrative Judge Kimberly Bizor Tolbert, Chief of Staff to the City Manager Majed A. Al-Ghafry, Assistant City Manager Jon Fortune, Assistant City Manager	Joey Zapata, Assistant City Manager Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer M. Elizabeth Reich, Chief Financial Officer Laila Alequresh, Chief Innovation Officer M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion Directors and Assistant Directors
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DATE  
SUBJECT

February 7, 2020

**Response to Questions Regarding 9% and 4% Housing Tax Credit  
Applications for Resolutions of Support and No Objection**

**EXHIBIT A**

**SIMMONS LEGAL PLLC**  
3131 McKinney Ave., Suite 600  
Dallas, Texas 75204  
[www.simmonslegal.solutions](http://www.simmonslegal.solutions)

Camisha L. Simmons  
[camisha@simmonslegal.solutions](mailto:camisha@simmonslegal.solutions)  
T 214.643.6192  
F 800.698.9913

**PROPERTY TAX EXEMPTION PREDETERMINATION REQUEST**

January 21, 2020

Dallas Central Appraisal District  
Exemption Division  
Attn: Elizabeth Sarles  
2949 N. Stemmons Freeway  
Dallas, TX 75247

**RE: Property Tax Exemption Predetermination Request for Affordable Housing Multifamily Housing Apartment Complex: Dallas Stemmons Apartments; Dallas, Dallas County, Texas; Apartment Complex Owner: Dallas Stemmons, Ltd.; Landowner: City of Dallas Housing Finance Corporation, a nonprofit tax-exempt Texas housing finance corporation**

Dear Ms. Sarles:

We represent the City of Dallas Housing Financing Corporation, a nonprofit tax-exempt Texas housing finance corporation (“**DHFC**”) in connection with the above-referenced contemplated 87-unit affordable housing multifamily apartment development to be located at 11070 N. Stemmons Freeway in Northwest Dallas (the “**Affordable Housing Apartment Complex**” or “**Project**”). Pursuant to this letter, we respectfully request a predetermination that the below proposed ownership structure for the Affordable Housing Apartment Complex qualifies for a property tax exemption under Tax Code Section 11.11.

**DHFC is a Tax-Exempt Texas Housing Finance Corporation**

DHFC is a housing finance corporation organized under Texas law. DHFC is exempt from federal taxation and is exempt from taxes in the State of Texas. The following provisions of the

DATE  
SUBJECT

February 7, 2020

## **Response to Questions Regarding 9% and 4% Housing Tax Credit Applications for Resolutions of Support and No Objection**

Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code, as amended (the “*Act*”) set forth the DHFC’s tax exempt status:

Section 394.002(c) of the Act provides the DHFC, as a housing finance corporation serves and benefits the public:

- (c) The legislature finds that the accomplishment of the results described by Subsection (b) is a public purpose and function and lessens the burdens of government. The legislature further finds that:
  - (1) the creation of a housing finance corporation is for the benefit of the people of the state, improves the public health and welfare, and promotes the economy;
  - (2) those purposes are public purposes; and
  - (3) the corporation, as a public instrumentality and nonprofit corporation, performs an essential governmental function on behalf of and for the benefit of the general public, the local government, and this state.

Additionally, Section 394.905 of the Act provides, among other tax exemptions, that the property owned by a housing finance corporation and the income generated from that property are tax exempt:

The housing finance corporation, all property owned by it, the income from the property, all bonds issued by it, the income from the bonds, and the transfer of the bonds are exempt, as public property used for public purposes, from license fees, recording fees, and all other taxes imposed by this state or any political subdivision of this state. The corporation is exempt from the franchise tax imposed by Chapter 171, Tax Code, only if the corporation is exempted by that chapter.

## **DHFC Will Acquire and Own the Land and Lease it to the Owner and Operator of the Affordable Housing Apartment Complex**

DHFC or DHFC Dallas Stemmons Landowner LLC (“**DHFC Landowner**”), a Texas limited liability company and a wholly owned subsidiary of DHFC, will acquire and own the real property (the “*Land*”) located at 11070 N. Stemmons Freeway in Northwest Dallas County, Texas.

The Land will be leased by DHFC or DHFC Landowner to the owner and operator of the Affordable Housing Apartment Complex, Dallas Stemmons, Ltd. (the “**Partnership**”) pursuant to a 99- year term ground lease and the Partnership will continue to own the improvements located thereon which consist of 87 affordable residential units to be rented to low-income Dallas county residents.

DATE  
SUBJECT

February 7, 2020

## **Response to Questions Regarding 9% and 4% Housing Tax Credit Applications for Resolutions of Support and No Objection**

Further, we are aware of the opinion of the Texas Supreme Court pertaining to the issue of a governmental entity owning real property and improvements and availing itself of the tax exemption under Section 11.11 of the Tax Code that it is necessary for DHFC to maintain equitable title to the Project. Accordingly, and consistent with past practices in other transactions of this type, we will draft, in addition to the ground lease, a purchase option agreement which would give DHFC or DHFC Landowner, as applicable, the right to purchase the improvements at the Affordable Housing Apartment Complex at any time at its option and a right of first refusal agreement which would give DHFC and/or DHFC Landowner the right to acquire the Affordable Housing Apartment Complex if the Partnership elects to sell it in the future.

Because (i) DHFC or DHFC Landowner would own legal title to the Land and lease it to the Partnership; (ii) DHFC would wholly own DHFC Landowner and also own 65%<sup>1</sup> of Dallas Stemmons GP, LLC, a Texas limited liability company and the General Partner of the Partnership (the “**General Partner**”), that owns and operates the Affordable Housing Apartment Complex; (iii) DHFC and/or DHFC Landowner would have an option to purchase the Affordable Housing Apartment Complex at any time; and (iv) DHFC and/or DHFC Landowner would have a right of first refusal to acquire the Affordable Housing Apartment Complex, DHFC would thereby in all instances and at all times own equitable title to the Project.

### **Because all the Rental Units in the Apartment Complex will be “Affordable,” the Partnership is Requesting 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs**

All 87 rental units in the Affordable Housing Apartment Complex will be rented to low-income Dallas County residents. Further, the residential development will be located in a disaster area of Dallas Country that was ravaged by the recent tornado that caused severe damage in the county.

In light of the public benefit to area residents provided by the new Affordable Housing Apartment Complex, the Partnership is requesting 9% housing tax credits from the Texas Department of Housing and Community Affairs (“**TDHCA**”).

### **The Proposed Ownership Structure Qualifies for a Property Tax Exemption Under Texas Law**

As discussed herein, DHFC will own the Land for which we are seeking a property tax exemption and will also own 65% of the owner of the Affordable Housing Apartment Complex upon which the Land sits. This ownership structure is consistent with ownership structures approved for tax-exemption by housing finance corporations in Texas. Taxing authorities grant property tax-exemptions where the general partner of the partnership is at least 51% owned by a Texas housing finance corporation. This ownership structure, which in many cases also includes

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<sup>1</sup> The remaining 35% ownership interest in the Partnership will be held by a certified Texas Historically Underutilized Business (“**HUB**”).

DATE  
SUBJECT

February 7, 2020

**Response to Questions Regarding 9% and 4% Housing Tax Credit  
Applications for Resolutions of Support and No Objection**

part ownership by a Texas HUB, allows applicants to receive additional points when scored by TDHCA. Allowing a general partner of a partnership to be partially held by a HUB or a non-profit in addition to being held by a Texas housing finance corporation, puts applicants who are building affordable housing developments at an advantage when seeking to secure competitive 9% housing tax credits to expand affordable housing opportunities in Texas.

Further, after our review and analysis of applicable Texas law, it is our reasonable good faith conclusion that all property owned by DHFC and the income generated from that property is tax exempt. Therefore, the Land upon which the Affordable Housing Apartment Complex will sit will be exempt from property taxes.

Before proceeding, however, we hereby respectfully request a predetermination by your office that the proposed ownership and use of the Land, as outlined in this letter, will qualify for the exemption under Tax Code § 11.11.

Thank you for your attention to this matter. Please feel free to contact me if you have any questions or need further documentation or information to assist your predetermination decision.

Very truly yours,

Camisha L. Simmons  
**SIMMONS LEGAL PLLC,**  
Counsel for City of Dallas Housing Finance Corporation and its affiliates

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **City of Dallas Compensation Study**

A public sector organization must examine its compensation philosophy and structure from time to time to ensure it can successfully compete for existing and future employees. Typically, compensation studies or surveys are conducted every other year. The City of Dallas has not completed a compensation survey since 2012.

At the Council Meeting on August 28, 2019, Council authorized a two-year contract to engage a firm to develop a comprehensive compensation study to review city positions. These funds were approved as part of the 2019 budget process.

Public Sector Personnel Consultants, Inc. (PSPC) was selected to work closely with our Human Resources team to perform a Total Compensation Study for civilian employees. The Study includes a review of our compensation policies and processes, salary structure, and market competitiveness. The goal of the Study is to allow us to administer pay better, align our salary structure with the current job market, and ultimately, to attract and retain employees.

The study process consists of four (4) Phases:

Phase I	Kick-Off & Communication/Position Analysis Questionnaires
Phase II	Position Classification Results
Phase III	Market Survey
Phase IV	Overall Findings & Implementation

In October 2019, PSPC began the Kick-Off and Communication Phase, which was designed to engage and inform all employees of the project. Informational meetings were also held for all employees to attend. Position Analysis Questionnaires (PAQs) were distributed to all employees.

All employees were asked to complete and submit PAQs by November 15, 2019. Approximately 5,000 questionnaires were submitted, and PSPC is currently reviewing PAQs to assess the current City position classifications and make recommendations for changes or the addition of new classifications.

Phase Two of the project is scheduled to be completed by mid-February, and will result in a Classification Report, which will detail the results of the position analysis. In Phase Three, the vendor will conduct the market survey and provide a draft of these results and proposed salary schedules. In the final phase, the Consultant will provide an implementation plan and estimated funding requirements for completion of the project, which is expected by May 2020. Staff will present the overall findings and proposed implementation plan to the GPFM in May 2020, and any recommendations will be included in the FY 2020-2021 Budget process.

This Total Compensation Study will allow the City of Dallas to address any issues that prevent us from being market competitive, which is critical to attract and keep the talent needed to achieve organizational goals.

Should you have any questions or need additional details, please contact Kimberly Tolbert, Chief of Staff, or Nina Arias, Director, Human Resources at 214-671-9050.

In the Spirit of Excellence!



T.C. Broadnax  
City Manager

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

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

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council  
SUBJECT M/WBE Participation for February 12, 2020 Council Agenda

It is the mission of the Office of Business Diversity to ensure non-discriminatory practices and eliminate barriers while resourcing businesses to the next step in their business life cycle. The policy of the City of Dallas is to use certified Minority and Women-owned Business Enterprises (M/WBEs) to the greatest extent feasible on the City's construction, procurement, and professional services contracts. For your information, staff is providing you with the summary below of M/WBE participation for the voting items scheduled for the February 12, 2020 City Council Agenda. The total contract award amount, consisting of 7 agenda items is \$11.9M. **M/WBE is applicable to 5 of the 7 agenda items. For these items, construction and architectural and engineering items total \$2.0M with an overall M/WBE participation of \$708K or 34.89%, while goods and services items were procured through cooperative purchasing agreements, therefore, do not have applicable M/WBE goals.**

As a reminder, the current M/WBE goals are:

Architecture & Engineering	Construction	Professional Services	Other Services	Goods
25.66%	25.00%	36.30%	23.80%	18.00%

## 2017 Bond Program – February 12th Council Agenda

The Office of Business Diversity continues to work diligently with the Bond Program Office to ensure, not only that the M/WBE goals are met, but to also include diverse teams on the bond program projects. This agenda includes five agenda items that are funded by 2017 bond funds. **These five items total \$2.6M with an overall M/WBE participation of \$623K or 24.28%.**

**2017 Bond Program Year to Date consists of 198 items totaling \$338.7M with an overall M/WBE participation of \$146M or 43.12%.**

## Highlighted Items:

### Construction Material Testing Services

**Agenda Item No. 8** Authorize a professional services contract in the amount of \$150K with Alpha Testing, Inc. to provide construction material testing services during the construction of five Alley Reconstruction Groups. **This item includes participation from one M/WBE vendor resulting in \$38K participation or 25.66% M/WBE participation on a 25.66% goal.**

DATE  
SUBJECT

February 7, 2020

## **M/WBE Participation for February 12, 2020 Council Agenda**

### **Exterior Restoration – Sammons Center for the Arts**

**Agenda Item No. 9** Authorize a construction contract in the amount of \$734K for the exterior restoration of the Sammons Center for the Arts. **This item includes participation from one M/WBE vendor resulting in \$201K participation or 27.44% M/WBE participation on a 25.00% goal.**

### **Martin Weiss Park Loop Trail Construction**

**Agenda Item No. 24** Authorize a construction contract in the amount of \$582K for the Martin Weiss Park Loop Trail. **This item includes participation from five M/WBE vendors resulting in \$151K participation or 25.98% M/WBE participation on an 25.00% goal.**

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



Zarin D. Gracey  
Director  
Office of Business Diversity

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

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

# Memorandum



DATE February 7, 2020

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT City License Applications

Attached is a list of the most recent Dance Hall, Sexual Oriented Business, Billiard Hall, and/or Amusement Center license applications received for the week of January 13, 2020 – January 17, 2020 by the Criminal Investigation Bureau Licensing Squad of the Dallas Police Department.

Please have your staff contact [Major Juan Salas](#) at (214) 670-4811 should you need further information.

A blue ink signature of the name "Jon Fortune".

Jon Fortune  
Assistant City Manager

[Attachment]

c:  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Mark Swann, City Auditor  
Bilierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
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M. Elizabeth Reich, Chief Financial Officer  
Laila Alequresh, Chief Innovation Officer  
M. Elizabeth Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

## WEEKLY APPLICATION LOG REPORT

DISTRICT	NAME OF BUSINESS	STREET ADDRESS	TYPE OF LICENSE	DATE OF APPLICATION	STATUS (RENEWAL/NEW)	APPLICANT NAME
D2	STUDIO 80 DALLAS	2211 N. HENDERSON	DH	1/13/2020	NEW	JEFFEREY MURTHA
D1	FUN HOUSE	610 S. HAMPTON	AC	1/13/2020	NEW	OMAR AGHWEIL
D6	AZUKITA INC-DBA CLUB LACY	9009B SOVEREIGN ROW	SOB	1/14/2020	RENEWAL	ARMANDO R. CEREZO
D13	DAVE & BUSTERS	9450 N. CENTRAL EXPWY	AC	1/14/2020	NEWAL	BRYAN MCCROY
D14	ROUND UP SALON	3912 CEDAR SPRINGS	DH	1/14/2020	RENEWAL	GARY MILLER

DH - Class "B" Dance Hall - Dancing Permitted Less Than Three Days a Week

DH - Class "C" Dance Hall - Dancing Scheduled One Day At A Time

DH - Class "E" Dance Hall - Dancing Permitted Seven Days A Week for Persons Age 14 through Age 18 Only

LH - Late Hours Permit - Can Operate A Dance Hall Until 4:00

BH - Billiard Hall - Billiards Are Played

SOB - Sexually Oriented Business - Adult Arcade / Adult Book/Video Store / Adult Cabaret / Adult

Adult Theater / Escort Agency / Nude Model Studio

AC - Amusement Center