

**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE**

DALLAS CITY COUNCIL COMMITTEE AGENDA

---

RECEIVED

2018 SEP 13 PM 4:36

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, SEPTEMBER 17, 2018  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
9:00 A.M.–10:30 A.M.

**Chair**, Councilmember Tennell Atkins

**Vice Chair**, Councilmember Rickey D. Callahan

Councilmember Lee M. Kleinman

Councilmember Scott Griggs

Councilmember Casey Thomas, II

Councilmember B. Adam McGough

Councilmember Mark Clayton

Councilmember Kevin Felder

Councilmember Omar Narvaez

Call to Order

1. Approval of September 4, 2018 Minutes

**BRIEFINGS**

- |   |   |
|---|---|
| 2. Live/Work Accessory Use briefing   | Neva Dean, Assistant Director<br>Sustainable Development & Construction |
| 3. Executive Session to discuss the offer of a financial or other incentive to Project Bonnie Section 551.087 of the Texas Govt Code                      | Courtney Pogue, Director<br>Office of Economic Development              |
| 4. Executive Session to discuss the offer of a financial or other incentive to Project Victory Section 551.087 of the Texas Govt Code                     | Courtney Pogue, Director<br>Office of Economic Development              |
| 5. Executive Session to discuss the offer of a financial or other incentive to New Markets Tax Credit Transactions Section 551.087 of the Texas Govt Code | Courtney Pogue, Director<br>Office of Economic Development              |
| 6. Executive Session to discuss the offer of a financial or other incentive to Project Square Section 551.087 of the Texas Govt Code                      | Courtney Pogue, Director<br>Office of Economic Development              |

**MEMOS**

- A. Financial Underwriting Contract

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

**UPCOMING AGENDA ITEMS**

September 26, 2018

- B. Authorize **(1)** the second of four twelve-month renewal options, to the contract with PeopleFund to administer the CDBG Business Revolving Loan Program, for the purpose of servicing and making loans to area businesses and create and/or retain jobs for low-to-moderate income persons, in accordance with Department of Housing Urban Development (HUD) regulations; and **(2)** any unexpended balances of program income from prior contract years to be rolled over to continue the CDBG Business Revolving Loan Program - Financing: No cost consideration to the City
  
- C. Consideration of the second of two service contract renewals to Foundation Communities to administer a Volunteer Income Tax Assistance Program for low to moderate income families or individuals citywide – Foundation Communities, Inc., -- Not to exceed \$200,000 – Financing: Current Funds (subject to appropriations)

Adjourn

A handwritten signature in black ink, appearing to read "Tennell Atkins". The signature is written in a cursive, flowing style.

Tennell Atkins, Chair  
Economic Development & Housing Committee

### EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

### HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

# Economic Development & Housing Committee

## Meeting Record September 4, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

**Meeting Date:** September 4, 2018

**Meeting Start time:** 9:05 A.M.

<b>Committee Members Present:</b> Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Casey Thomas, II Councilmember Scott Griggs Councilmember B. Adam McGough Councilmember Mark Clayton Councilmember Kevin Felder Councilmember Omar Narvaez	<b>Staff Present:</b> Courtney Pogue, Director of Office of Economic Development Keith Spath, Manager, Office of Economic Development David Noguera, Director of Housing and Neighborhood Revitalization Maureen Milligan, Interim Assistant Director of Housing and Neighborhood Revitalization Avis Chaisson, Assistant Director of Housing and Neighborhood Revitalization
<b>Other Council Members Present:</b> Philp Kingston	
<b>Committee Members Absent:</b>	<b>Other Presenters:</b>

### AGENDA:

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

- Approval of August 20, 2018 Economic Development/Housing Committee Minutes**  
Presenter(s): CM Tennell Atkins

**Action Taken/Committee Recommendation(s):** Motion made to approve the minutes.

<b>Motion made by:</b> CM Omar Narvaez	<b>Motion seconded by:</b> CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

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

**Executive Session From:** 10:22 **To:** 10:55

- Executive Session to discuss the offer of a financial or other incentive to Project Bulldog Section 551.087 of the Texas Govt Code**

**Presenter(s):** Courtney Pogue, Director, Office of Economic Development  
Kevin Spath, Manager of Office of Economic Development

**Information Only:** \_\_

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

<b>Motion made by:</b> CM Rickey D. Callahan	<b>Motion seconded by:</b> CM Mark Clayton
Item passed unanimously: _____	Item passed on a divided vote: <u>X</u>
Item failed unanimously: _____	Item failed on a divided vote: _____

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

3. **Executive Session to discuss the offer of a financial or other incentive to Project Bonnie Section 551.087 of the Texas Govt Code**

Presenter(s): Courtney Pogue, Director, Office of Economic Development  
 Kevin Spath, Manager, Office of Economic Development

Information Only: \_\_

Action Taken/Committee Recommendation (s) Motion made to bring item back to the September 17, 2018 Committee for further discussion.

Motion made by: CM Rickey D. Callahan	Motion seconded by: CM Scott Griggs
Item passed unanimously: <input checked="" type="checkbox"/>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. **Land Bank Budget and Bylaws Briefing**

Presenter(s): David Noguera, Director of Housing and Neighborhood Revitalization  
 Maureen Milligan, Interim Assistant Director of Housing and Neighborhood Revitalization

Information Only: \_\_

Action Taken/Committee Recommendation (s) Item will be brought back to the Committee for further discuss

Motion made by: CM Kevin Felder	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <input checked="" type="checkbox"/>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

5. **Dallas Housing Finance Corporation (DHFC) Amendments to Articles of Incorporation and Bylaws Briefing**

Presenter(s): David Noguera, Director of Housing and Neighborhood Revitalization  
 Avis Chaisson, Assistant Director of Housing and Neighborhood Revitalization

Information Only: \_\_

Action Taken/Committee Recommendation (s) Motion made to move forward to full Council without staff recommended amendments.

Motion made by: CM Rickey D. Callahan	Motion seconded by: Lee Kleinman
Item passed unanimously: _____	Item passed on a divided vote: <input checked="" type="checkbox"/>
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

**UPCOMING AGENDA ITEMS**

- A. Authorize an Interlocal Agreement with the University of Texas at Arlington for the University of Texas at Arlington Internship Program to facilitate graduate-level urban planning internships with the City of Dallas through the Department of Planning and Urban Design – Total not to exceed \$125,804.00 - Financing: General Fund (subject to annual appropriations)
- B. Authorize the second of two service contract renewals to Foundation Communities to administer a Volunteer Income Tax Assistance Program for low to moderate income families or individuals citywide - Foundation Communities, Inc., - Not to exceed \$200,000 - Financing: Current Funds (subject to appropriations)

**Economic Development & Housing Committee  
September 4, 2018, Meeting Record**

- C. Authorize the third of four twelve-month renewal options to the grant agreement with the World Affairs Council of Dallas/Fort Worth for economic development and protocol services for the period October 1, 2018 through September 30, 2019 - Not to exceed \$250,000 - Financing: Public/Private Partnership Funds (\$200,000) (subject to appropriations) \$200,000; Current funds (\$50,000) (FY18-19; subject to appropriations)

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

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

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

**MEMORANDUM**

1. September 12<sup>th</sup> and 26<sup>th</sup> City Council Agenda Items for accelerating timeline for resolutions of support or no objection for rehabilitation projects seeking 4% housing tax credits and that satisfy Texas Government Code Section 1372.037 and for amending the Housing Policy to accommodate the accelerated timeline for such projects.

**Action Taken/Committee Recommendation (s)** Motion made to re-present item in a special call meeting for further discussion. Date to be determined.

<b>Motion made by:</b> CM Kevin Felder	<b>Motion seconded by:</b> CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

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

**Motion to adjourn:** CM Rickey D. Callahan      **Seconded by:** CM Kevin Felder

**Meeting Adjourned:**      10:58 A.M.

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

# Memorandum



CITY OF DALLAS

DATE September 14, 2018

TO Honorable Members of the Economic Development and Housing Committee

SUBJECT **Accessory Live Unit (Live/Work)**

On Monday, September 17, 2018, the Committee will be briefed on proposed amendments to the Dallas Development Code to define and establish regulations for an accessory live unit use (live/work). The City Plan Commission recommended approval of the proposal on August 2, 2018. The briefing materials are attached for your review.

Please feel free to contact either myself or Kris Sweckard if you have any questions or need additional information.

A handwritten signature in blue ink, appearing to read 'Majed A. Al-Ghafry'.

Majed A. Al-Ghafry  
Assistant City Manager

[Attachment]

c: Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Chris Caso, City Attorney (I)  
Craig Kinton, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge

Kimberly Bizar Tolbert, Chief of Staff to the 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  
Directors and Assistant Directors

# Accessory Live Unit (Live/Work)

**Economic Development  
and Housing Committee**

**September 17, 2018**

**Neva Dean, Assistant Director  
Sustainable Development and  
Construction Department**



**City of Dallas**



# Presentation overview

- Purpose
- Background
- Proposal
- Next Steps
- Appendix

# Purpose

- Brief the Committee on proposed amendments to the Dallas Development Code to create regulations for an accessory live unit use to allow for a live/work component.
- Seek Committee approval to forward amendments to City Council for consideration.

# Background

- Zoning Ordinance Advisory Committee (ZOAC) considered this item at four public meetings: April 5, 2018, April 19, 2018, May 5, 2018, and on May 17, 2018 recommended the proposal move to City Plan Commission.
- On August 2, 2018, City Plan Commission (CPC) considered amendments to the Dallas Development Code to define and establish regulations for an accessory live unit use and recommended approval.

# Background

- The intent of this code amendment is to provide a business owner the opportunity to live where they work by allowing a residential use in conjunction with a work or business use (nonresidential use) in certain zoning districts that otherwise do not allow a residential use.
- Recent zoning change applications requesting zoning changes from an IR Industrial Research District or an LI Light Industrial District to either a Mixed Use District or a Planned Development District in order to allow a residential use in combination with their work or business.

# Background

- Current code allows a mix of live and work uses in MU-1 Mixed Use District; a single family use in conjunction with a nonresidential use on the same lot.
- 11 PDs allow live/work, of those:
  - Half define a live/work unit as
    - an interior space that combines residential with office or retail and personal service uses.
  - The other half define a live/work unit as
    - an interior space with street level access that combines residential with office or retail and personal service uses.
  - All consider live/work units a nonresidential use.
  - One PD does not allow the live/work to be combined with an alcoholic beverage establishment or a restaurant.

6

# Proposal

- Definition
  - Live unit means a dwelling unit accessory to any nonresidential use allowed in that district.

# Proposal

- Provisions:

- Only one live unit per lot.
- May be attached or detached.
- Cannot be sold separately (by metes and bounds).
- Maximum floor area allowed for the dwelling unit is 50 percent of the total combined floor area of the live unit and the main use to which the live unit is accessory.

- Example:

Floor Area of Main Use	Potential Live Unit Floor Area	Total floor area	Floor Area % of Live Unit
1,000	1,000	2,000	50%
5,000	2,500	7,500	33%
10,000	9,000	19,000	47%

# Proposal

- Provisions: (continued)

- If rented, must be registered with the city's single family rental program.
- Parking per Chapter 51 and 51A for the floor area of the nonresidential use (not including the floor area of the live unit).
- One additional parking space is required for the live unit.
  - Example: 6,000 square feet building with 3,000 square feet for an appliance repair shop and 3,000 for a live unit.
    - Current Code: Requires 30 spaces. The total square footage of the building is parked per the main use (1 space/200 sq. ft)
    - Proposal: Requires 16 spaces. Square footage of the main use is parked per the code (1 space/200 sq. ft) plus one additional parking space for the live unit.



# Proposal

- Live Unit to be allowed in:
  - Residential Districts: MF-3(A) and MF-4(A).
  - Office Districts: NO(A), and LO-1(A), LO-2(A), LO-3(A), MO-1(A), MO-2(A), and GO(A).
  - Retail Districts: NS(A), CR and RR.
  - Industrial Districts: LI and IR.
  - Mixed Use Districts: MU-2 and MU-3.
  - Multiple Commercial Districts: MC-1, MC-2, MC-3, and MC-4.
  - Urban Corridor Districts: UC-1, UC-2, and UC-3.

# Proposal

- Live Unit not permitted in:

- Residential Districts: A(A), R-1(A), R-1/2(A), R- 5(A), R-7.5 (A), R-10(A), R-16 (A), R-13(A), D(A), TH-1(A), TH-2(A), TH-3(A), CH, MF-1(A), 2(A), and MH (A)
- Central Area Districts: CA-1(A) and CA-2(A)
- Mixed Use Districts: MU-1

These districts already allow for a single family use in combination with a nonresidential use on a parcel.

- P(A) Parking District
- CS Commercial Service Districts
- IM Industrial Manufacturing Districts

Note: Form Districts will be reviewed separately in upcoming Code amendments

11

# Next Steps

- Schedule for City Council consideration.

# Accessory Live Unit (Live/Work)

Economic Development  
and Housing Committee

September 17, 2018

Neva Dean, Assistant Director  
Sustainable Development and  
Construction Department



**City of Dallas**

# Appendix-1

## Recent Zoning Cases and Map

Z case	Address	Zoning change request from	To
Z123-126	1371 CRAMPTON ST	IR Industrial Research	MU-1 Mixed District
Z134-324	2292 VANTAGE ST #100	IM Industrial Manufacturing District	MU-3 Mixed Use District
Z134-331	4832 MEMPHIS ST	IR Industrial Research District.	MU-3 Mixed Use District
Z145-144	2233 VALDINA ST	IR Industrial Research District.	MU-3 Mixed Use District
Z145-349	1 MONITOR ST	IR Industrial Research District.	MU-3 Mixed Use District
Z156-138	4802 IBERIA AVE	IR Industrial Research District.	MU-3 Mixed Use District
Z156-180	2323 FARRINGTON ST	IR Industrial Research	MU-1 Mixed District
Z156-298	1167 MISSISSIPPI AVE	IR Industrial Research District.	MU-3 Mixed Use District
Z156-319	1000 QUAKER ST	IR Industrial Research District.	MU-3 Mixed Use District
Z156-340	2344 IRVING BLVD	IR Industrial Research District.	MU-3 Mixed Use District
Z156-370	2519 FARRINGTON ST	IR Industrial Research District.	MU-3 Mixed Use District
Z167-321	830 ZANG BLVD	Subdistrict E within PD No. 468	allow Live/Work



# Appendix-2

## Planned Development Districts that allow live/work

PDs that allow live work:

- PD No. 316
- PD No. 317
- PD No. 468
- PD No. 595
- PD No. 714
- PD No. 808
- PD No. 811
- PD No. 812
- PD No. 891
- PD No. 908
- PD No. 929

# Appendix-3

## Research: Surrounding cities

Nine surrounding cities were researched: Allen, Arlington, Cedar Hill, Duncanville, Fort Worth, Irving, McKinney, Plano and Richardson.

- Eight cities allow live/work in some capacity.
  - Richardson does not allow
- Generally define live/work as a dwelling unit that is also used for work purposes.
  - Work component generally restricted to office, artist's workshop, studio, personal service or other similar uses.
  - One city allows the residential to be combined with a manufacturing use.
- Generally allowed in:
  - Central/Downtown/Business Districts.
  - Special Purpose/ Planned Development Districts.
  - Mixed-Use Districts.
  - One city allows live/work in Medium Density Residential and Multi-Family Districts

# Appendix-3

## Research: Surrounding cities (continued)

- Six cities require the business owner/operator or employee of the business to live in the unit.
- Six cities require the live/work unit within the same structure.



# Appendix-3

## Research: Surrounding cities (continued)

	Allowed?	Business operator or employee of business	Types of Zoning Districts							Structure		
			Central Business Districts	Special Districts	Mixed Use	Multifamily	Industrial/Manufacturing	Commercial/Personal Service	Office	Attached	Detached	Unknown
Allen	Y	Unknown	Y									*
Arlington	Y	Y		Y		Y				Y		
Cedar Hill	Y	Unknown		Y								*
Duncanville	Y	Y	Y							Y		
Fort Worth	Y	Y		Y	Y					Y		
Irving	Y	Y		Y						Y		
McKinney	Y	Y	Y							Y		
Plano	Y	Y	Y		Y					Y		
Richardson	N											
Dallas-Proposed	Y	anyone		PDs	MU-2,3	MF-3(A),4(A)	LI, IR	NS(A), CR, RR, MC-1-4	NO(A), LO-1(A)-3(A), MO-1(A)-2(A), GO(A)	Y	Y	

# Appendix- 4

## Research: Index cities

11 Index Cities were researched: Austin, Baltimore, Boston, Columbus, El Paso, Fort Worth, Philadelphia, Phoenix, San Diego, San Jose, and San Antonio.

- All cities allow live/work in some capacity.
- Generally define live/work as a dwelling unit that is also used for work purposes.
  - Work component generally office, artist's workshop, studio, personal service, commercial, and industrial/manufacturing uses
- Generally allow the live/work use in:
  - Central/Downtown/Business Districts.
  - Special Purpose and Overlay Districts.
  - Mixed-Use Districts.
  - Commercial/Retail/Personal Service Districts.
  - Four cities allow in manufacturing and industrial districts.

# Appendix- 4

## Research: Index cities (continued)

- Owner/employee occupancy:
  - 10 cities require the business owner or an employee of the business to live in the residential portion.
- 10 cities require that the Live/Work unit is within the same structure.

# Appendix- 4

## Research: Index cities (continued)

	Allowed?	Business operator or employee of business	Types of Zoning Districts							Structure		
			Central Business Districts	Special Districts	Mixed Use	Multi-family	Industrial/Manufacturing	Commercial/Personal Service	Office	Attached	Detached	Unknown
Austin	Y	Y					Y	Y		Y		
Baltimore	Y	Y		Y	Y		Y	Y		Y		
Boston	Y	Y	Y	Y	Y	Y		Y	Y	Y		
Columbus	Y	Y		Y						Y		
El Paso	Y	Y		Y	Y		Y	Y		Y		
Ft Worth	Y	Y		Y	Y					Y		
Philadelphia	Y	N					Y	Y				*
Phoenix	Y	Y						Y	Y	Y		
San Diego	Y	Y								Y		
San Jose	Y	Y	Y					Y		Y		
San Antonio	Y	Y	Y	Y	Y					Y		
Dallas-Proposed	Y	anyone		PDs	MU-2,3	MF-3(A),4(A)	LI, IR	NS(A), CR, RR, MC-1-4,	NO(A), LO-1(A)-3(A), MO-1(A)-2(A), GO(A)	Y	Y	

# Memorandum



CITY OF DALLAS

DATE September 14, 2018

TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Financial Underwriting Contract**

On Monday, September 17, 2018, the Economic Development and Housing Committee will be briefed on a contract proposal for the Office of Economic Development and the Housing and Neighborhood Revitalization Department to hire a financial underwriting firm.

## Summary

The Comprehensive Housing Policy and Office of Economic Development incentive application require all development projects to undergo an underwriting process. Financial underwriting provides the City an opportunity to assess a project's debt capacity based on reasonable market lending ratios and provide an equity investment that delivers a reasonable return. During the underwriting process, the City confirms that the developer's costs are reasonable, reviews the other funding sources in the financial stack, determines if the project is financially feasible and that the return on equity investment is reasonable, confirms that the site and location are suitable for the proposed project, confirms that the project will achieve a public benefit, reviews the capacity and experience of the development team and determines the ability of the project to repay the City incentives.

The Office of Procurement Services conducted a Request for Bids process to solicit bids from financial underwriting firms and selected National Development Council to provide these services.

## Background

In 2017, the U.S. Department of Housing and Urban Development suspended the City's use of HOME Improvement Partnership Program grant funds due to the City's lack of underwriting guidelines. This action led to the development of underwriting guidelines for all Housing activities by a third-party contractor and a redesign of housing programs through the Comprehensive Housing Policy. The Office of Economic Development implemented similar underwriting guidelines for its incentive programs. The two departments collaborated to sponsor underwriting training opportunities for staff. A number of staff members recently completed the Housing Development Finance Professional Certification Program and in the upcoming 18 months, staff will complete the Economic Development Finance Professional Certification Program.

### Issues

The Housing Department recently issued a Notice of Funding Availability to solicit projects for \$25 million in available funding. The Office of Economic Development accepts application requests for funding on an ongoing basis. Evaluating these applications will require the expertise of professional underwriters, which the City currently does not have employed.

### Alternatives

The City can utilize existing staff to perform underwriting services with the understanding that most Economic Development and Housing staff do not have the expertise.

### Fiscal Impact

The National Development Council underwriting bid is valued at \$1,188,000 for a three-year term, with each underwrite and staff training priced at \$11,000.

### Staff Recommendation

The Office of Economic Development and Housing Department recommend that the City Council accept National Development Council's bid and contract with them to provide financial underwriting services for housing and economic development incentive applications.



**David Noguera**  
Director, Housing & Neighborhood Revitalization

c: Christopher Caso, City Attorney (l)  
Craig D. Kinton, 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

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

# Memorandum



DATE September 14, 2018

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rickey D. Callahan (Vice-Chair), Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **Consideration of the second of four one-year renewal options to the service contract with PeopleFund to administer the City of Dallas CDBG Revolving Loan Program - City Council Agenda – September 26, 2018**

## Summary

At your September 26, 2018, Council meeting you will consider authorizing the second of four one-year renewal options to the service contract with PeopleFund to administer the City of Dallas Community Development Block Grant (CDBG) Business Revolving Loan Program.

## Background Information

Since 1989, the City of Dallas has used a portion of its Community Development Block Grant (CDBG) funds to support the City of Dallas CDBG Business Revolving Loan Program (BRLP), as approved by Council Resolution No. 89-0815. Since inception the CDBG Business Revolving Loan Program has provided approximately 202 business loans totaling an estimated \$20,270,565.00. These loans have been used to leverage an estimated \$42,439,502 in private investment and have created/retained approximately 2,024 jobs.

PeopleFund is the current sub-recipient of the CDBG funds and administers the BRLP on behalf of the City as an activity to meet a national objective of Low-to-Moderate Job Creation or Retention (LMJ). The program provides funding and access to capital to eligible businesses that create or retain jobs for low-to-moderate income persons to foster community, economic development and revitalization within the city limits.

PeopleFund will continue to service all loans and will make a minimum of five new loans in this upcoming contract year to eligible for-profit businesses located within the City of Dallas. Every \$35,000.00 of funds loaned under BRLP must result in the creation or retention of one full-time equivalent permanent job where at least 51 percent of jobs, computed on a full-time equivalent basis, involve the employment of a low-to-moderate income individual, in accordance with the Department of Housing Urban Development (HUD) regulations.

Program income generated from the BRLP will be revolve back into the fund and retained by PeopleFund to make new loans to eligible borrowers and to offset the

cost of program operation as defined by the contract and HUD regulations. No general fund dollars will be used for this loan program. This action does not encumber funds.

In the previous four years, BRLP has made 8 new loans:

Program Year	Number of Loans/Loaned Amount	Jobs Created/Retained
2014-15	3 / \$243,000	22
2015-16	1 / \$75,000	9
2016-17	2 / \$126,000*	3
2017-18	2 / \$171,500	11

\*\$126,000 reflects the total loan amount approved for the year. One borrower was approved for \$75,000 but has only drawn down \$34,146, which aligns with one job created.

The existing CDBG loan portfolio and accounts receivable consist of 16 loans totaling \$1,119,865.00 and a cash bank balance of \$637,322.19, as of July 31, 2018.

FY 2017/2018 program income is projected to be \$670,819.00 with projected expenses of approximately \$115,194.00. Eligible program delivery costs will be reimbursed from the program income. Funds have revolved and no additional CDBG funds have been allocated to the program since 2005. There is no cost consideration to the City.

**Issue**

The existing contract term will expire on September 30, 2018. This agenda item would authorize the second of four renewal options for a one-year term, from October 1, 2018 to September 30, 2019. The renewal will also authorize the City to cancel the contract with a 30-day notice for cause or convenience.

**Alternatives**

If the contract is not renewed, the City would need to notify HUD of a material change to the CDBG program and Office of Economic Development Staff would assume management of the program.

**Coordination**

The Office of Economic Development will continue to work with Office of Budget to keep the program in compliance with HUD regulations and with PeopleFund to promote City loan programs for the purpose of making loans to for profit businesses to create and retain jobs for low-to-moderate income persons.

**Fiscal Impact**

No Cost Consideration

**Recommendation**

Staff recommends approval of the second renewal options to the contract with PeopleFund to administer the CDBG Business Revolving Loan Program.





# Memorandum



DATE September 14, 2018

TO Members of the Economic Development Committee:  
Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Consideration of the second of two service contract renewals to Foundation Communities to administer a Volunteer Income Tax Assistance Program for low to moderate income families or individuals citywide – Foundation Communities, Inc., -- Not to exceed \$200,000 – Financing: Current Funds (subject to appropriations)**

## Summary

At your September 26, 2018 Council meeting, you will consider authorizing the second of two service contract renewals to Foundation Communities to administer a Volunteer Income Tax Assistance Program for low to moderate income families or individuals citywide.

## Background Information

The City has supported Volunteer Income Tax Assistance (VITA) through payments to the United Way or Foundation Communities for the past six years. These payments have supported a VITA program that provided free tax help to over 8700 Dallas tax filers for the 2017 tax year at seven different sites throughout the city. The VITA program offers free tax assistance to families and individuals who make less than \$54,000 a year, and are full time sites, operating 6 days a week and 6-8 hours a day. Approximately 25% of the tax returns completed through the VITA program claimed the Earned Income Tax Credit (EITC). Additionally, over 780 individuals requested referrals for financial education classes or one-on-one financial coaching sessions with a partner agency.

In 2016, the City issued an RFCSP to solicit proposals for the administration of a Program Tax Preparation and Financial Education Services Program for low to moderate income families or individuals citywide. Foundation Communities won the solicitation and has provided a city-wide program for free tax assistance with a secondary goal of enhancing financial literacy by using the Earned Income Tax Credit (EITC) as the anchor for wrap-around services. This program scope aligns with the recommendations from the Mayor's Task Force on Poverty's briefing to City Council to develop an awareness campaign to get more people to VITA sites.

During the 2018 tax season (Spring 2019), Foundation Communities intends to prepare 9,500 tax returns within the City of Dallas. Foundation Communities will operate seven site locations in the City dedicated to tax preparation and continue its a robust bilingual marketing program, which includes direct mailings, social media campaigns and grassroots efforts. Sites will be open from mid-January through the tax deadline in April 2019. Each site location recruits at least 50 active volunteers, secures and maintains appropriate and sufficient equipment, and

hires and manages paid staff to ensure proper coverage. At least 50% of the program's seasonal positions will be filled by employees who are bilingual. All returns completed undergo review and quality control by experienced staff and volunteers. During the previous tax year, 464 trained volunteers provided more than 9,300 of volunteer hours. Additionally, Foundation Communities will operate one year-round sites for on-going assistance at North Dallas Shared Ministries.

Foundation Communities will continue to emphasize financial literacy and coaching by referring tax clients to financial coaching sessions and assisting clients with establishing savings accounts and purchasing savings bonds. During the previous tax season, more than 7,000 clients completed a survey to assess what referrals the clients wanted. The most common responses were savings opportunities and financial aid. Foundation Communities offers two programs to assist with savings, a savings bond program and Dallas Saves. DallasSaves, the savings account program, offers clients the opportunity to establish or add to a savings account meant for use during financial emergencies or to deal with an unanticipated expense and offers matching funds as an incentive to families who set aside between \$200 and \$500 of their tax return through the tax return process and maintain the balance for a year. 120 families participated in Dallas saves, with a current total savings balance of over \$13,000. Additionally, 115 individuals purchased savings bonds through that program.

A summary of program highlights is attached to this memo.

### **Issue**

The existing contract term will expire on September 30, 2018. This agenda item would authorize the second of two renewal options for a one-year term, from October 1, 2018 to September 30, 2019. The total program cost is approximately \$552,000. City funds will provide up to \$200,000 of that program cost (from current funds).

### **Alternatives**

Foundation Communities would reduce the scope of the VITA program, by either offering fewer sites or no financial literacy or savings program, or a combination of the two.

### **Coordination**

The Office of Economic Development has worked with Dallas Public Libraries and the United Way to help coordinate volunteers and support the mymoneydfw.com website to provide a coordinated information for tax preparation assistance. Dallas Public Libraries host the AARP's tax assistance program, which offer free tax assistance, primarily to those 55 and older.

### **Fiscal Impact**

\$200,000 of current year funds.

### **Recommendation**

Staff recommends approval of the second renewal term.

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



Courtney Pogue  
Director, Office of Economic Development

- c: Chris Caso, City Attorney (I)  
Craig Kinton, 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
- 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  
Directors and Assistant Directors