

# Memorandum



DATE June 12, 2015

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT National Development Council Award

On Thursday May 14<sup>th</sup>, the National Development Council (NDC) awarded the City of Dallas with a national award for the Lancaster Urban Village project. The award recognizes innovative and impactful developments which change the lives of residents in underserved communities across the country. While the project went through formal evaluations to be selected as a finalist, a vote among peer cities and attendees at the NDC Academy held in Washington D.C. provided the award as top in the country. The announcement of the award can be found on line at <http://ndcacademy.org/updates/>

Details regarding the Lancaster Urban Village project can be found in the attached information sheet. Please let me know if you have any questions.



Theresa O'Donnell, Chief Planning Officer

c: The Honorable Mayor and Members of the City Council  
A.C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager-Mayor and Council

Lancaster Urban Village  
4417 S. Lancaster Rd.

The Lancaster Urban Village (LUV) opened in June 2014 as a culmination of over five years of cooperation between the public and private sector. The mixed-use project, with over 190 apartments and 14,000sq feet of retail space is the most significant new housing investment in Dallas' Lancaster Corridor in over 40 years.

The Lancaster Corridor is home to the VA's second largest facility nationwide, which employs over 4,700 people. It also is served by Dallas Area Rapid Transit's (DART) Light Rail system.

However, redevelopment in the Lancaster Corridor was challenging because of low median family income, high unemployment and high poverty. These challenging conditions required multiple public sector funding sources to be used; without these multiple sources, the project would not have been built.

The total project cost for LUV was \$27.8 million. The commercial portion was \$11.9 million; residential portion was \$15.9 million. Of the 193 units, 100 are affordable at 80% AMFI, and 93 are market rate. The retail space is leased to a Subway and Papa Johns, with a dental office, coffee shop and additional VA office space in the works.

## **Funding Sources**

### **Residential Funding**

**HUD 221(d)(4)**— FHA guarantee program for market-rate and affordable housing.

### **Mixed-Use Funding**

**HUD Section 108 Guaranteed Loan**— A low interest flexible subordinate loan tool controlled by the City and guaranteed by City's future CDBG allocation, subject to HUD regulatory requirements for job creation and affordable housing.

**Transit Oriented Development Tax Increment Financing District—** Large \$185MM North/South TIF (connected by DART line) with good long-term potential to subsidize the Lancaster Urban Village project. The active tax-base generating projects under construction located in Northern Dallas portions of TIF produce TIF increment for the southern projects;

**Commercial Funding**

**New Markets Tax Credits—** Federal tax credit administered by US Treasury competitively allocated to about 85 certified “community development entities” (CDEs) per year. Supports industrial, community facility, commercial & mixed-use, investment in qualifying Low Income Census tracts.

**Public Private Partnership Fund—** Flexible funding source funded and administered by City of Dallas. Very scarce resource structured as flexible, forgivable loan. Used to fund initial site acquisition and predevelopment; later converted to junior term debt

Participants in the success of the project include:

**Owner – Development Partner**

City Wide Community Development Corporation, Sherman Roberts, President/CEO  
Catalyst Urban Development, Paris Rutherford and Rhys Heinsch, members

**Lenders – Investors**

U.S. Bank

Greystone

U.S. Dept. of Housing and Urban Development

Shirley Henley, Director, CPD Regional Office

Jerry Jensen, Senior CPD Representative

Paul Webster, Director, Financial Management Division

Hugh Allen, Deputy Director, Financial Management Division

**New Markets Tax Credit Consultant**

S.B. Friedman & Company  
Tony Smith, Executive Vice President

**Dallas Development Fund**

Mark Foster, Counsel

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