

**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

RECEIVED

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CITY SECRETARY  
DALLAS, TEXAS

MONDAY, APRIL 1, 2019  
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 March 18, 2019 Meeting Minutes

**BRIEFINGS**

2. Adolphus Tower: City Center TIF District  
Courtney Pogue, Director  
Office of Economic Development
3. Continental Gin Redevelopment Project:  
Deep Ellum TIF District  
Courtney Pogue, Director  
Office of Economic Development
4. Dallas Opportunity Zones Briefing  
Robin Bentley, Assistant Director  
Office of Economic Development
5. Dallas Homebuyer Assistance Program Update  
David Noguera, Director  
Housing and Neighborhood Revitalization
6. Dallas Housing Rehabilitation Program Overview  
David Noguera, Director  
Housing and Neighborhood Revitalization

Adjourn



Tennell Atkins, Chair  
Economic Development & Housing Committee

**Public Notice**

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**POSTED** CITY SECRETARY  
DALLAS, TX

### 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 March 18, 2019

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

Meeting Date: March 18, 2019

Meeting Start time: 9:13 A.M.

<p><b>Committee Members Present:</b>                  Councilmember Tennell Atkins (Chair)                  Councilmember Rickey D. Callahan (Vice-Chair)                  Councilmember Lee M. Kleinman                  Councilmember Casey Thomas, II                  Councilmember B. Adam McGough                  Councilmember Mark Clayton                  Councilmember Kevin Felder                  Councilmember Omar Narvaez</p> <p><b>Other Council Members Present:</b></p> <p><b>Committee Members Absent:</b>                  Councilmember Scott Griggs</p>	<p><b>Staff Present:</b></p> <p><b>Other Present</b>                  John Terrell, Vice President, Commercial Development-DFW Int. Airport</p>
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**AGENDA:**

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

- Approval of February 4, 2019 Economic Development & Housing Committee and February 19, 2019 Economic Development & Housing Special Call Committee Minutes**

Presenter(s): CM Tennell Atkins

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

<b>Motion made by:</b> CM Casey Thomas, II	<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):**

- D/FW International Airport- City of Irving Aviall Chapter 380 Economic Development Agreement**

Presenter(s): John Terrell, Vice President, Commercial Development-DFW Int. Airport

**Information Only:**\_\_

**Action Taken/Committee Recommendation(s)**

<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):**

**UPCOMING AGENDA ITEMS**

**February 27, 2019**

- A. Authorize the first amendment to the development agreement with Supreme Bright Dallas II, LLC, Supreme Bright Dallas Parking, LLC and 1712 Commerce TIF, Inc., (collectively, the "Developer") For the 1712 Commerce Street Redevelopment Project in the Downtown Connection TIF District, authorized by Resolution No. 15-0987, previously approved on May 27, 2015 to: (1) extend the certificate of occupancy and project completion deadlines for the project from January 1, 2018, to July 1, 2019; and (2) as consideration for the requested amendment, increase the minimum private investment for the project from \$42,000,000.00 to \$43,500,000.00 - Financing: No cost consideration to the City
- B. Authorize a two-year service contract to administer a Workforce Readiness, Placement and Retention Program to provide career pathways training with Oak Cliff Empowered, Inc., in an amount of \$374,493.00 the most advantageous proposer of seven - Not to exceed \$374,493.00- Financing: Public/Private Partnership Funds
- C. Authorize approval of the City Council of the City of Dallas, to act as the applicable elected representative, as defined by Section 147(n)(2)(E) of the Internal Revenue Code, with respect to approve the issuance of multifamily housing revenue bonds issued by the City of Dallas Housing Finance Corporation in one or more series of tax-exempt bonds in an amount not to exceed \$15,000,000 to Flora Street Lofts, Ltd. to finance the acquisition and new construction of Flora Lofts, a 52-unit multifamily project at 2121 Flora Street following a public hearing held on March 11, 2019, after reasonable public notice, in order to comply with the Tax Equity and Fiscal Responsibility Act's one-year validation period requirement of Section 147(b)(4)(B)(iv) of the Internal Revenue Code - Financing: No cost consideration to the City

**Action Taken/Committee Recommendation (s)**

<b>Motion made by:</b> CM Casey Thomas, II	<b>Motion seconded by:</b> CM Lee Kleinman
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):**

**Meeting Adjourned:** \_\_\_\_\_ **9:20** **A.M.**

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

# Memorandum



DATE March 29, 2019

TO The Honorable 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 **Adolphus Tower: City Center TIF District**

## Summary

On April 1, 2019, the Committee will be briefed on the proposed Adolphus Tower project in the City Center TIF District.

## Background

The Adolphus Tower, located at 1412 Main Street in the downtown core at the southwest corner of Main Street and Akard Street, was constructed in 1954. Of the 185,990 square feet of net rentable office space, 63% is currently occupied. The ground floor currently has just over 2,000 square feet of retail space, occupied by Freshii. Interior improvements are underway to modernize the office tower. The proposed future phase includes façade improvements as well as expansion of the ground floor retail to over 6,000 square feet, addition of outdoor dining space, and enhancements to the public realm.

The developer, 1412 Main Street, LLC (Sardar (Mike) Hoque), has requested TIF funding assistance for the public realm and façade improvements. Plans for the proposed ground floor improvements have been reviewed and adjusted by the Urban Design Peer Review Panel. The adjustments ensure ample walking space, ADA compliance and pavement lighting.

Allocating \$2,247,605 in City Center TIF District funds for the Adolphus Tower project is likely to be the last City Center Sub-District development/redevelopment project. The City Center Sub-District of the City Center TIF District expires December 31, 2022, with final collection and disbursement in 2023. No TIF subsidy would be paid until all terms of the development agreement are met, including occupancy of at least 50% of the ground floor space. This project will complete a key downtown corner and will increase the retail opportunities for the growing office and residential populations.

Alternatives

The City may decline to provide TIF funding assistance in the amount of \$2,247,605, in which case the façade and public realm enhancements would not occur or the design would fall short of the preferred improvements.

Financing

Not to exceed \$2,247,605.00 – Financing: City Center TIF District Funds (subject to future appropriations from tax increments).

Coordination

Staff coordinated with the Planning and Urban Design Department, Office of Business Diversity and the City Attorney's Office to review the project details.

Recommendation

Staff recommends authorization of a development agreement in an amount not to exceed \$2,247,605 from future City Center TIF District funds for the Adolphus Tower project.

Should you have any questions, please contact me at (214) 670-1696.



Courtney Pogue, Director  
Office of Economic Development

- |   |   |
|---|---|
| c: Chris Caso, City Attorney (Interim)                      | Jon Fortune, Assistant City Manager                                       |
| Carol A. Smith, City Auditor (Interim)                      | Joey Zapata, Assistant City Manager                                       |
| Biliera Johnson, City Secretary                             | Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer |
| Preston Robinson, Administrative Judge                      | M. Elizabeth Reich, Chief Financial Officer                               |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Laila Aleqresh, Chief Innovation Officer                                  |
| Majed A. Al-Ghafry, Assistant City Manager                  | Directors and Assistant Directors   |

# **Adolphus Tower City Center TIF District**

**Economic Development and  
Housing Committee  
April 1, 2019**

**Courtney Pogue, Director  
Office of Economic Development  
City of Dallas**



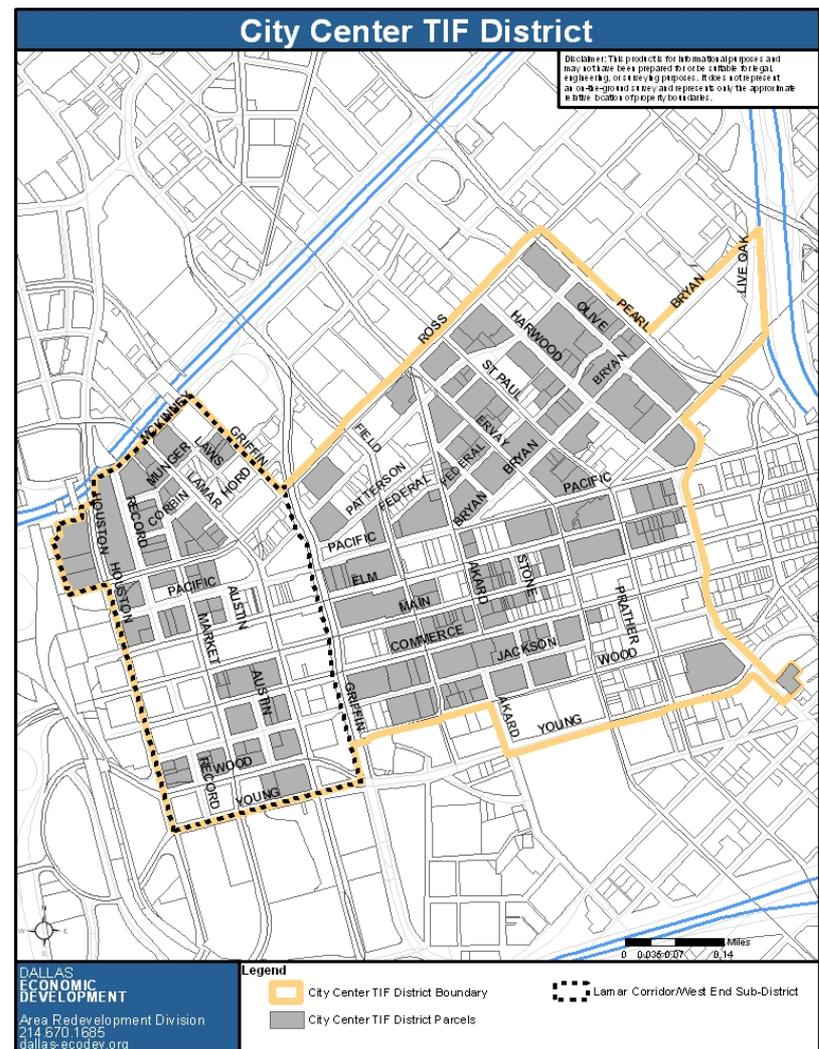
# Presentation Overview

- Background
- Proposed Project
- Staff Recommendation
- Next Steps
- Appendix



# Background

- City Center TIF District established in 1996
- In 2012, the City Center TIF District's Project Plan and Financing Plan ("TIF Plan") was amended
  - Termination date of the City Center Sub-District was extended for 10 years to December 31, 2022 (collection through December 31, 2023)
  - Lamar Corridor/West End Sub-district term was established for 25 years, January 1, 2012 to December 31, 2037



# Background

- When the TIF Plan was amended in 2012, the District's budget increased from \$87.6 million to \$152.0 million.
  - Funding source to stimulate redevelopment of the Lamar Corridor and Historic West End
  - Funding source to fill in redevelopment gaps in the downtown core
- Although the District's budget allows for an additional \$49.6 million (\$25.5 million for development/redevelopment projects) in TIF funds to be collected and disbursed, the City Center Sub-District will expire in 2022 and there is a queue of approved and completed projects to be repaid.
- To date, \$83.88 million in District funds have leveraged \$1.218 billion in new taxable value.

# Background

- TIF funded projects have not only spurred increased property value and occupied space downtown, they have also helped produce well-designed street-level improvements through the Design Review process that all TIF-assisted projects undergo.
  - Improved streetscapes and facades (public realm)



Thanksgiving Tower (1601  
Elm Street)



Mid Elm Lofts (1512-1516  
Elm Street)

# Proposed Project

- Adolphus Tower
  - Constructed in 1954
  - Located at 1412 Main Street, SW corner of Main Street and Akard
  - Across the street from Pegasus Plaza
  - 231,660 gross square feet (185,990 net rentable sf)
    - Building currently 63% occupied
    - Ground floor 34% of current and future space occupied
  - 27 floors
  - Developer/Applicant: 1412 Main Street, LLC
    - Sardar (Mike) Hoque



DMN

# Proposed Project



# Proposed Project

- Portion of Project Scope to be TIF-assisted:
  - Improve/Preserve Façade (all floors)
  - Improve public realm environment on Main Street and Akard Street
    - Increase from 2,142 square feet to over 6,000 square feet of ground floor retail/restaurant space, with outdoor seating
    - Provide ample sidewalk width on Main and Akard Streets with pedestrian enhancements including pavement lighting and ADA standards



# Staff Recommendation

- TIF funding in an amount not to exceed \$2,247,605 from development/redevelopment TIF budget category.
- The Adolphus Tower sits at the critical Main and Akard corner and lacks street appeal and pedestrian activity.
- This potentially last project in the City Center Sub-District (term expires 2022, with final collection and disbursement 2023) will complete a key downtown corner and increase the retail opportunities for the growing office and residential populations.



# Staff Recommendation

- Proposed Terms:
  - Required minimum investment: \$17.7 million
    - Includes ongoing tower rehabilitation (acquisition, construction, tenant improvements)
  - Required completion date: March 31, 2020
  - 40% Business Inclusion and Development (BID) M/WBE participation good faith effort goal on façade and public realm improvements
  - Best efforts to recruit and hire local residents for retail tenant employment opportunities
  - Minimum 50% ground floor occupancy prior to TIF payment and throughout TIF subsidy payments
  - Conformance to Urban Design Peer Review recommended design

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# Next Steps

- On March 14, 2019, the City Center TIF District Board of Directors reviewed and approved TIF funding for the Adolphus Tower project in an amount not to exceed \$2,247,605.
- With a favorable recommendation from the Economic Development and Housing Committee, an agenda item will be placed on the City Council agenda for March 27, 2019.

# Appendix



# Appendix: Sources and Uses of Funds

Sources		Uses	
Debt	\$14,000,000	Acquisition	\$8,200,000
Equity	\$9,981,919	Construction	\$10,888,176
TIF Subsidy	\$2,247,605	Tenant Improvements	\$3,790,841
Net Cost to Developer	\$21,734,314	Contingency	\$1,102,902
<b>TOTAL SOURCES</b>	<b>\$23,981,919</b>	<b>TOTAL USES</b>	<b>\$23,981,919</b>

Note that the amount shown above is actual anticipated investment which is greater than the minimum investment required for TIF subsidy; the TIF subsidy minimum investment removes some expenditures that are not anticipated to add to the building's value.

# Appendix: Proforma

Proforma Metric	Proforma Information
Total Stabilized Retail/Office/Antenna Income	\$3,117,728
Reimbursements	\$531,907
Total Gross Income	\$3,649,635
Vacancy (15%)	(\$453,928)
Expenses	(\$1,633,256)
Net Operating Income	\$1,562,450
Cap Rate	7.5%
Stabilized Value	\$20,832,667

- Stabilized Value is in line with Net Cost to Developer, with TIF assistance.

# Appendix: Return on Cost Analysis

- TIF subsidy allows developer to have a fair amount of return on cost.

Return on Cost NOI/Total Project Cost	Return on Cost
Without TIF subsidy	6.5%
With TIF subsidy	7.2%

# Appendix: Cash on Cash Analysis

- Without the \$2,247,605 TIF subsidy, the project's cash on cash returns over 10 years are too low to justify pursuing the façade and public realm improvements.

Cash on Cash Return	Average Annual Cash on Cash Return
Without TIF subsidy	8.51%
With TIF subsidy	12.91%

# Development Team

STAFF/CONSULTANTS	
5G Studio	Scott Lowe
Radius Architect	Alex Quintanilla
Hixxa Construction	Justin Lawrence
Andrews Kurth Kenyon LLP	Carrie M. Winkler
Asset Management Consultant	Don Dowell
HG Real Estate Solutions	Carla Machulis
David Pettit Economic Development, LLC	David Pettit

# **Adolphus Tower City Center TIF District**

**Economic Development and  
Housing Committee  
April 1, 2019**

**Courtney Pogue, Director  
Office of Economic Development  
City of Dallas**



# Memorandum



DATE March 29, 2019

TO The Honorable 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 **Continental Gin Redevelopment Project: Deep Ellum TIF District**

## Summary

On April 1, 2019, the Committee will be briefed on the Continental Gin Redevelopment Project in the Deep Ellum TIF District.

## Background

3309 Elm TIF, Inc. (“Developer”), a Texas corporation controlled by the August Family, has submitted an incentive application to the City of Dallas Office of Economic Development for the renovation and redevelopment of the Continental Gin building located at 3309 Elm Street in Deep Ellum.

The Continental Gin building is a three-story structure built in 1888 and is listed on the National Register of Historic Places. The Developer plans to renovate the property, and, upon completion of the Project, the property will feature approximately 54,680 square feet of Class A/B office space and 5,437 square feet of ground level restaurant/retail space. The Developer’s total Project cost, including property acquisition, is estimated at \$29 million.

On March 26, 2019, the Deep Ellum TIF District Board of Directors reviewed the proposed Project and recommended that, upon completion of the Project and satisfaction of all Project requirements, the Project shall be eligible for a total TIF subsidy (“TIF Subsidy”) in an amount not to exceed \$3,000,000.00 from future Deep Ellum TIF District revenues to be dedicated as gap financing for the Project.

In accordance with the Project Plan and Reinvestment Zone Financing Plan as well as the Grant Program for the Deep Ellum TIF District, the TIF Subsidy is proposed to include a reimbursement to the Developer in an amount not to exceed \$1,250,000.00 for actual Project expenditures within the Water, Wastewater, Storm and Off-Site Utility Replacement budget category and a grant in an amount not to exceed \$1,750,000.00 for assisting with Project costs within the Façade Restoration/Environmental Remediation/Demolition budget category.

Alternatives

The City may decline to provide TIF funding assistance for the project in the amount of \$3,000,000, in which case the Developer may choose to: (1) not move forward with the project (due to an unacceptable return on investment), or (2) move forward with a reduced project scope and/or a design that falls short of the City's preferences.

Financing

Not to exceed \$3,000,000.00 – Financing: Deep Ellum TIF District Funds (subject to future appropriations from tax increments)

Coordination

Staff coordinated with the Planning and Urban Design Department, Sustainable Development & Construction Department, Office of Business Diversity, and the City Attorney's Office to review the project details.

Recommendation

Staff recommends authorization of a development agreement in an amount not to exceed \$3,000,000 from future Deep Ellum TIF District funds for the Continental Gin Redevelopment Project.

Should you have any questions, please contact me at (214) 670-1696.



Courtney Pogue, Director  
Office of Economic Development

c: Honorable Mayor and Members of the City Council  
T. C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
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  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors

# **Continental Gin Redevelopment Project Deep Ellum TIF District**

**Economic Development and  
Housing Committee  
April 1, 2019**

**Courtney Pogue, Director  
Office of Economic Development**



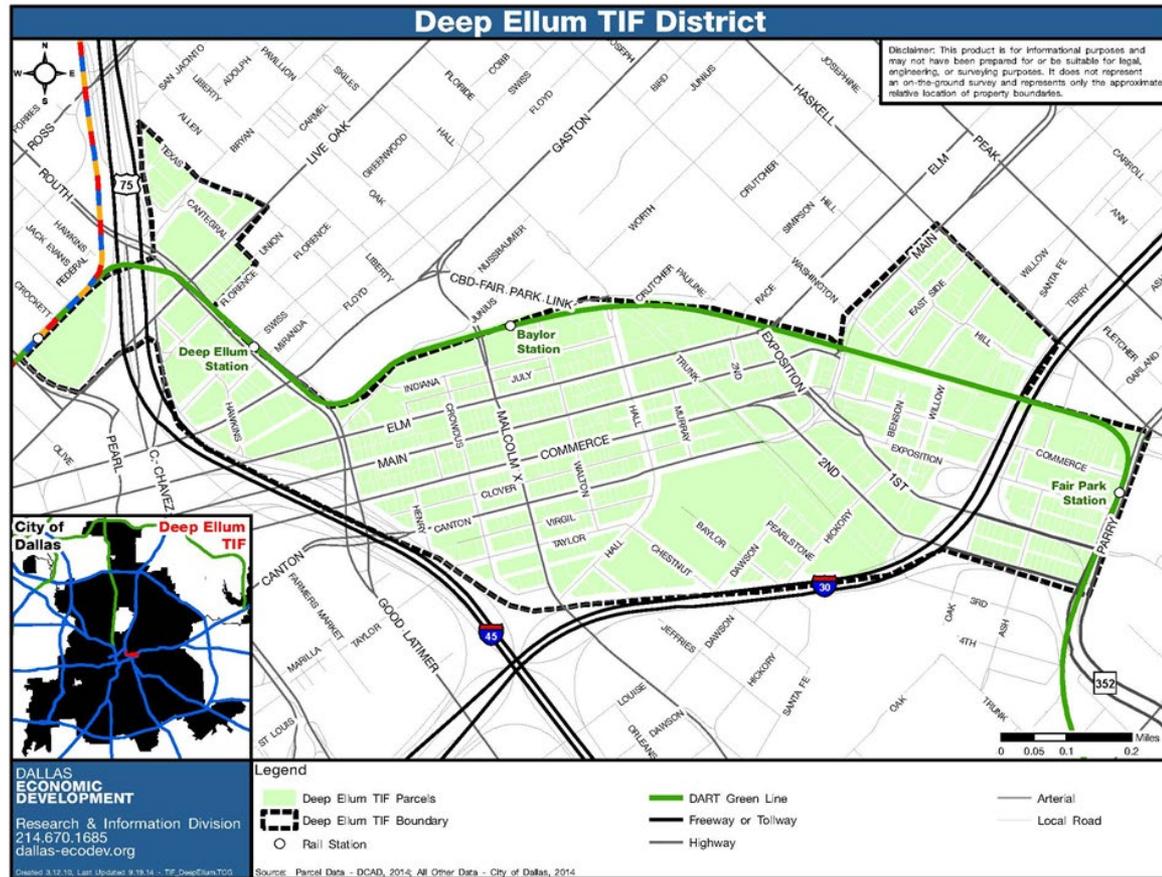
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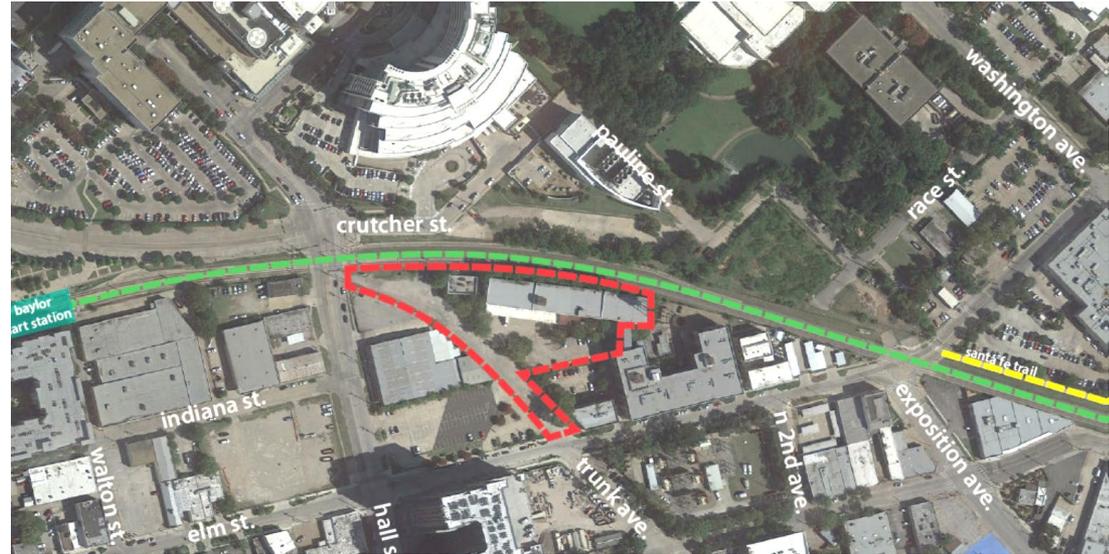
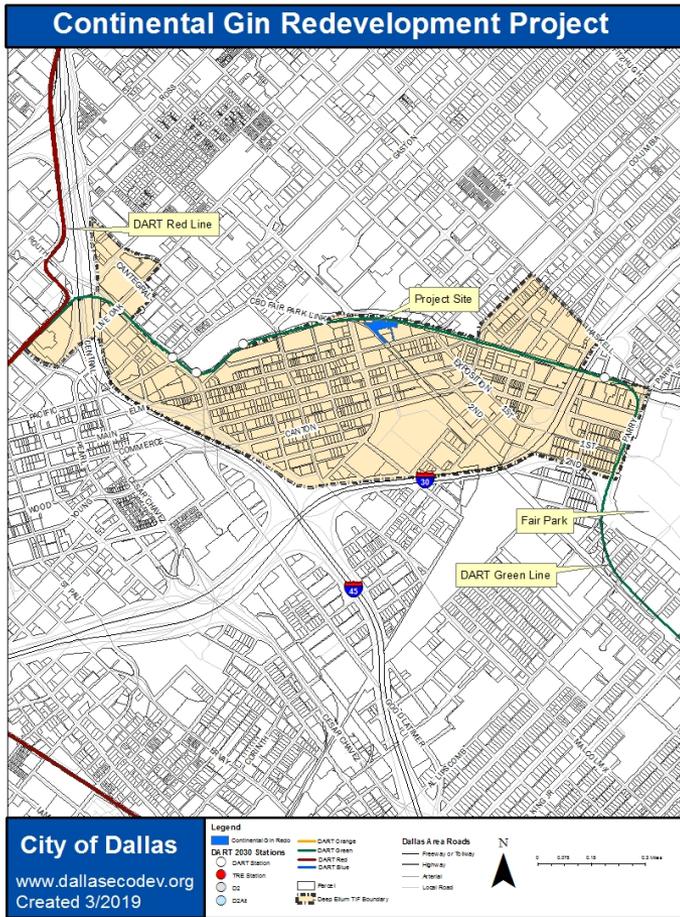


# Background – TIF District

- Established in 2005 as a long-term tool to assist the area in becoming a more diversified, pedestrian friendly, mixed-use neighborhood and to improve connections with adjacent neighborhoods.
- TIF District took effect on January 1, 2006 and is scheduled to terminate on December 31, 2027.
- TIF District boundary and final plan were amended in 2008, 2011, and the final plan was also amended in 2014.
- City of Dallas and Dallas County are the two participating jurisdictions.
- To date, taxable value of real property has increased by \$384.3 million within the District, an increase of 203% from the base value.

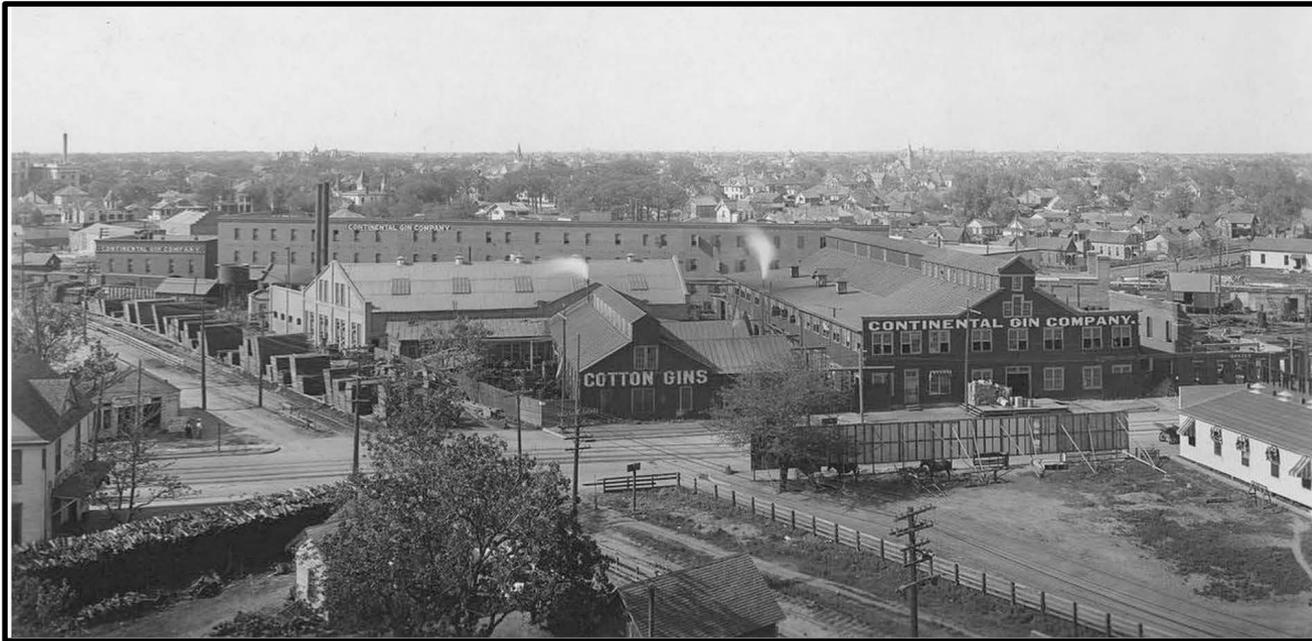


# Background – Location of Project



- Near the intersection of Trunk Avenue and DART Green Line, at the northeastern edge of the Deep Ellum neighborhood.
- Currently, the property is accessed from Elm Street by an unimproved section of Trunk Avenue that has been acquired by the owners of the Project.

# Background – Historic Site



- The site of the proposed Project was originally part of the Continental Gin Company complex (constructed between 1888 and 1914). The Continental Gin Company formed in 1899 in Birmingham, Alabama and soon became the largest manufacturer of cotton gins in the United States. The Dallas site remained a manufacturing center and its foundry (demolished in 1986) produced components for the satellite assembly factories.
- Continental Gin Company complex was listed in the National Register of Historic Places in 1983 (“substantial and intact example of industrial architecture around the turn of the [20<sup>th</sup>] century”).
- Designated a City of Dallas Landmark District in 1987.

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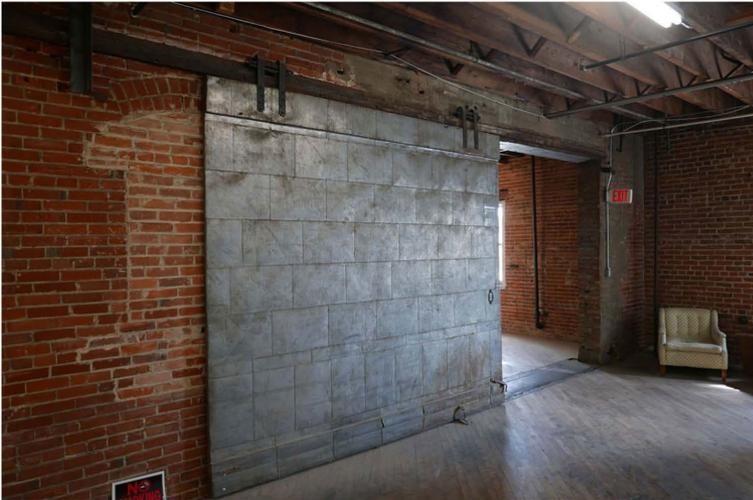
# Background – Historic Site



- The building at 3309 Elm Street was the main building within the complex and remains the oldest remaining building (built in 1888).
- Constructed with load-bearing masonry walls and timber framing.
- Few remaining examples in Dallas of structures from this period of industrial construction.

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# Background – Existing Conditions



- Façade of the building needs extensive repair. Load-bearing masonry walls have extensive cracking at the joints and some spalled bricks. Paint on exterior walls will be removed
- Roof needs replacement
- Over 60% of the original and old replacement windows need repair or replacement
- Most recent replacement windows were not made to match the original pattern
- Metal roof decks over loading dock are corroded and need replacement

# Proposed Project - Summary

**Developer:** 3309 Elm TIF, Inc., a Texas corporation controlled by the August Family.

**Project Summary:** Developer submitted an incentive application to the City of Dallas Office of Economic Development seeking assistance for the renovation and redevelopment of the Continental Gin building located at 3309 Elm Street. The Developer plans to rehabilitate and renovate the property, and, upon completion of the Project, the property will feature approximately 54,680 square feet of Class A/B office space and 5,437 square feet of first level restaurant/retail space. The Developer's total Project cost, including property acquisition, is estimated at \$29 million.

Developer plans to clean and repair the historic fabric of the building but leave as much as possible of the original materials in place and visible. The dominant interior walls will remain the existing wood structure and masonry walls. Where necessary, new construction will be placed to minimally alter the original historic material. Developer intends to rehabilitate according to the Secretary of the Interior's Standards for the Treatment of Historic Buildings and in compliance with all City of Dallas Certificate of Appropriateness requirements.

The property is designated as historically significant on city, state, and federal levels and is eligible for state and federal tax credits if the rehabilitation is conducted according to the Secretary of the Interior's Standards. Developer has submitted the Project to the Texas Historical Commission and the National Park Service for review and has received conditional approvals.

# Proposed Project - Summary

- Loading dock will be used as outdoor seating for restaurant/retail
- New wood decks will be added to the north and west side and along the rear of the building to provide additional outdoor activity space
- Site improvements will include new parking areas, driveway, pedestrian paths, enhanced paving, new landscaping, new trees
- New ADA ramps and exterior stairs will be constructed of steel and concrete to provide access along the front of building
- New mechanical, electrical, and plumbing systems
- New communicating stairs, fire stairs, elevators and life safety equipment
- New tenant spaces (finish-out)

# Proposed Project



- 1. 3309 ELM, THE CONTINENTAL GIN BUILDING
- 2. NEW DRIVE AND PARKING
- 3. NEW PARKING
- 4. NEW 7' WIDE SIDEWALK, POTENTIAL CONTINUATION OF THE SANTA FE TRAIL TO BAYLOR DART STATION
- 5. NEW FIRE LANE WITH TURF PAVING
- 6. NEW PROPERTY SIGNAGE

# Proposed Project



Main Entry



Looking Northeast



Restaurant Interior



Southwest Corner Outdoor Cafe

.1

*Economic and Neighborhood Vitality*



# Proposed Project

REPLACE ROOF MEMBRANE  
REPAIR AND WATERPROOF PARAPET

REMOVE PAINT FROM EXISTING MASONRY USING  
CHEMICAL STRIPPER, REPOINT MORTAR JOINT T/O

CLEAN AND REPAIR STAR BOLTS

REPLACE EXISTING WINDOWS WITH NEW WOOD  
WINDOWS TO MATCH HISTORIC PATTERN  
CLEAN AND REPAIR CAST IRON SILLS

REMOVE EXISTING ROOF MEMBRANE AND STEEL  
DECK AND REPLACE CLEAN AND REPAINT STEEL  
STRUCTURE

NEW PAINTED STEEL AND GLASS ENTRY

NEW PAINTED STEEL GUARDRAIL

NEW PAINTED STEEL AND CONCRETE  
HANDICAP RAMP

NEW STAINED WOOD DECK AND STEPS



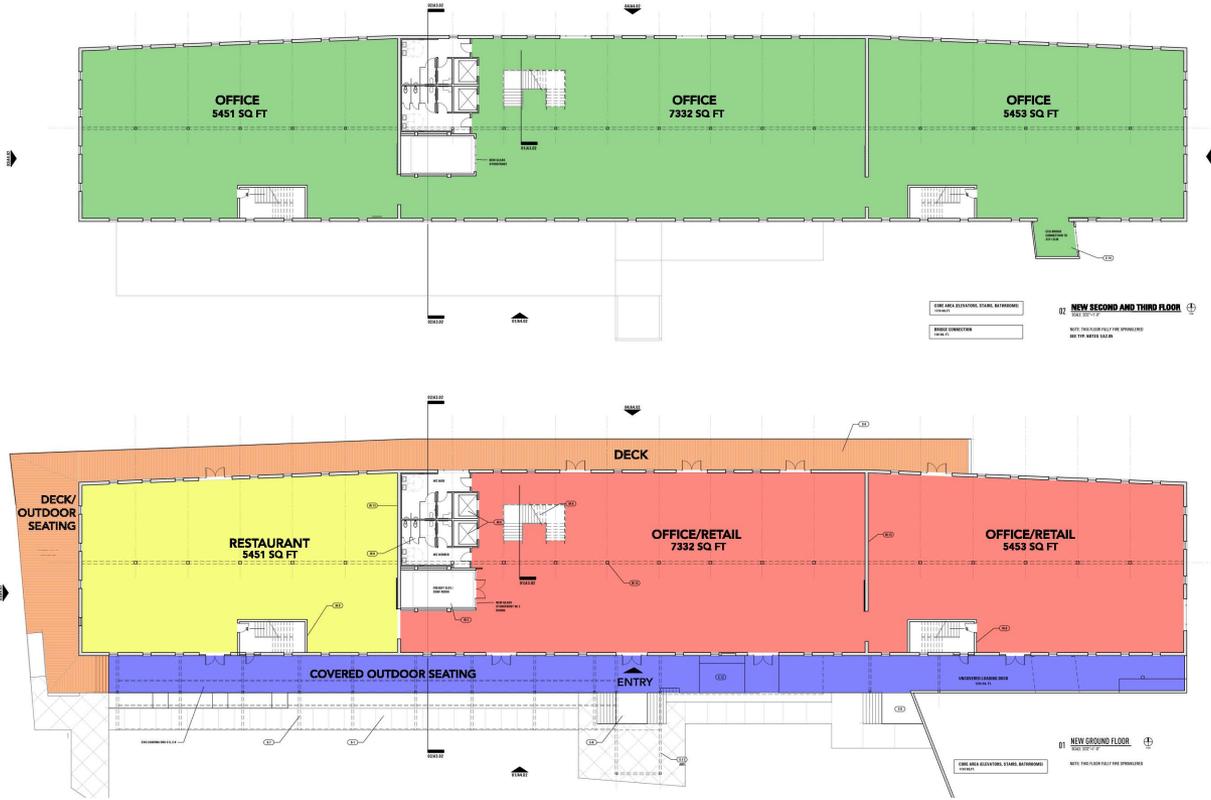
\* Drawings and renderings are not final and may change subject to various City of Dallas approvals.

**THE CONTINENTAL GIN BUILDING**  
3309 ELM STREET  
CITY OF DALLAS | URBAN DESIGN PEER REVIEW

ENLARGED PARTIAL SOUTH (MAIN) ELEVATION

**AUGUST** | **TKTR**  
FAMILY PARTNERSHIP | ARCHITECTS

# Proposed Project



\* Drawings and renderings are not final and may change subject to various City of Dallas approvals.

**THE CONTINENTAL GIN REHABILITATION**  
 3309 ELM STREET  
 CITY OF DALLAS URBAN DESIGN PEER REVIEW

**FLOOR PLANS**

**AUGUST**  
 FAMILY PARTNERSHIP

**TKTR**  
 ARCHITECTS

# Proposed Project

Item	Cost	Percent of Total Budget
Land Acquisition	\$3,371,000	11.6%
Site Work	\$2,344,453	8.1%
Construction Costs	\$11,005,000	37.9%
Other Uses	\$318,000	1.1%
Tenant Improvements	\$3,315,000	11.4%
Soft Costs	\$4,732,460	16.3%
Construction Contingency	\$1,698,245	5.8%
Developer Fee	\$2,250,000	7.7%
<b>Total Project Costs</b>	<b>\$29,034,158</b>	<b>100%</b>

# Staff Recommendation

Authorize a development agreement with 3309 Elm TIF, Inc. (“Developer”) and/or its affiliates in an amount not to exceed **\$3,000,000**, payable from future Deep Ellum TIF District Funds, in consideration of the Continental Gin Redevelopment Project (“Project”).

The TIF Subsidy shall be divided into the following TIF budget categories:

- reimbursement to the Developer in an amount not to exceed \$1,250,000 for actual Project expenditures within the Water, Wastewater, Storm and Off-Site Utility Replacement budget category, and
- a grant in an amount not to exceed \$1,750,000 for assisting with Project costs within the Façade Restoration/Environmental Remediation/Demolition budget category

## Notes

- Tax increment contributed to the Deep Ellum TIF District fund by Dallas County may only be used for the reimbursement portion and may not be used for the grant portion
- No interest shall accrue on any portion of the TIF Subsidy

# Staff Recommendation

## Key Conditions

- Developer shall document **minimum private investment** in the Project of **\$15 million**.
- Project shall include the renovation of a **minimum of 50,000 net leasable square feet**, including:
  - i) **Minimum of 45,000 net leasable square feet of office/commercial space**, and
  - ii) **Minimum of 5,000 net leasable square feet of retail/restaurant space**

The square footage allocations for (i) and (ii) may be adjusted and reallocated between categories up to a maximum of 20% with the sole approval of the Director of the Office of Economic Development (the “Director”), as long as the minimum total of 50,000 square feet of building space is renovated within the Project. Approval from the Director and the Board shall be required for adjustment and reallocation of the minimum square foot requirement for any of the square foot allocations in (i) and (ii) if the adjustment and reallocation exceeds 20% of the square footage for that category.

- Prior to or contemporaneously with the execution of the TIF development agreement, Developer shall provide evidence of binding commitments of all capital sources necessary to construct the Project.
- Prior to or contemporaneously with the execution of the TIF development agreement, Developer shall provide evidence of an executed flow of funds memorandum.

# Staff Recommendation

## Key Conditions

- Developer shall obtain **building permit(s) for the construction of all core and shell** components of the Project by **June 30, 2020**. Developer shall obtain **building permit(s) for the construction of all tenant improvements** by **December 31, 2021**.
- Developer shall **complete construction** of the Project and obtain final certificate of occupancy (CO), temporary certificate(s) of occupancy, green tag, or other equivalent evidence of completion issued by the City for the minimum 50,000 net leasable square feet by **June 30, 2022**.
- If applicable, Developer shall obtain a **letter of acceptance** or similar documentation issued by the City, which may include a green tag issued from the Public Works Department, signifying acceptance of **any public infrastructure improvements** associated with the Project by **June 30, 2022**.
- If applicable, Developer shall execute an **operating and maintenance (O&M) agreement** with the City for all **non-standard public infrastructure improvements** associated with the Project by **June 30, 2022**. Compliance with the executed O&M agreement shall be required of all future owners for the entire 20-year term of the O&M agreement. If Developer chooses to forgo the TIF Subsidy or if the TIF development agreement is otherwise terminated after Developer's installation of non-standard public improvements, Developer shall remain responsible for the maintenance of the non-standard public improvements for the term of the O&M agreement. The maintenance obligation under the TIF development agreement (and the O&M agreement) is assignable to a new owner of all or a portion of the Project or to a manager of a public improvement district or property owner's association with the written consent of the Director of the Office of Economic Development, which consent shall not be unreasonably withheld.

# Staff Recommendation

## Key Conditions

- The **lesser of 75% of the total net leasable square footage in the Project or 34,375 square feet shall be occupied prior to initial payment of the TIF Subsidy, and at least 50% of the total net leasable square footage in the Project or 25,000 square feet shall continue to be occupied for a period of five years from initial payment of the TIF Subsidy.** After initial payment of the TIF Subsidy, Developer shall immediately notify City in writing if at least 50% of the total net leasable square footage in the Project or 25,000 square feet is not occupied (the “Occupancy Default”). Such notice shall specify the nature of the default, the period of existence thereof, and the action Developer is taking or proposes to take with respect to curing the Occupancy Default. Failure of Developer to cure the Occupancy Default within 180 calendar days following written notice by City shall constitute an uncured occupancy default (“Uncured Occupancy Default”).
- The **Urban Design Peer Review** Panel (“UDPRP”) is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Review by the UDPRP is required for all projects requesting TIF funding assistance. Following a formal review on June 22, 2018, the UDPRP provided advice for the Project, thereby satisfying the initial requirement for urban design peer review related to Developer’s application for TIF funding assistance. On February 12, 2019, Developer submitted a set of permit drawings to the Planning and Urban Design Department for a staff review to ensure that the Project (i.e. public and private improvements) will be constructed in substantial conformance with the spirit and intent of the UDPRP advice. On February 15, 2019, the Planning and Urban Design Department confirmed that the permit drawings meet the spirit and intent of the UDPRP advice. **Developer shall construct the Project (i.e. public and private improvements) in substantial conformance with the permit drawings provided to the Planning and Urban Design Department on February 12, 2019.**

# Staff Recommendation

## Key Conditions

- Developer shall make a **good faith effort** to comply with the **City’s Business Inclusion and Development (“BID”) goal of 25% participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures on the Project (i.e. public and private improvements)** and meet all reporting requirements.
- Within six months of the effective date of the development agreement, and **prior to payment of any TIF Subsidy**, Developer shall submit to the City a **written plan** describing how Developer shall **use and document best efforts to recruit and hire residents of the city of Dallas and (ii) how Developer shall cause all tenants to use and document best efforts to recruit and hire residents of the city of Dallas**. At a minimum, the written plan shall describe how Developer and tenants will target local recruitment through local advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The plan shall be subject to approval by the Director of the Office of Economic Development to ensure that employment opportunities are targeted to Dallas residents. No TIF Subsidy shall be paid to Developer until Director approves the written plan. Compliance with the approved written plan shall be a material obligation of the agreement.
- **If necessary, the Director of the Office of Economic Development, after approval and recommendation of the Deep Ellum TIF District Board, may authorize minor modifications to the Project, including (1) adjustment of the square footage allocations listed above if the adjustment exceeds 20% of the square footage for either category, or (2) an extension of the Project deadlines up to 9 months.**
- **Until the Project has received final certificates of occupancy** (and/or equivalent evidence of completion, which may include a green tag and temporary certificates of occupancy) and all required documentation for initial payment of the TIF Subsidy has been submitted, Developer shall submit to the Office of Economic Development a **quarterly status report** for ongoing work on the Project (including any related public improvements). After City Council approval, such status reports shall be due within 30 calendar days following the end of each quarter.
- **After initial payment of the TIF Subsidy**, the Developer shall provide **written annual reports** to the Office of Economic Development certifying the maintenance of and annual compliance with the terms noted herein (specifically including the minimum occupancy requirement described above).

# Next Steps

- On March 26, 2019, the Deep Ellum TIF District Board of Directors reviewed and approved the recommended TIF Subsidy in an amount not to exceed \$3,000,000.
- With a favorable recommendation from the Economic Development and Housing Committee, an agenda item will be placed on the City Council voting agenda on April 10, 2019.

# Appendix: Sources and Uses of Funds

Sources		Uses	
Debt	\$9,645,952	Acquisition	\$3,371,000
PACE Debt	\$4,346,310	Construction (Core/Shell)	\$11,005,000
HTC Bridge Loan	\$4,997,736	Tenant Improvements	\$3,315,000
HTC Equity (Fed & State)	\$1,794,160	Contingency	\$1,698,245
Equity (Developer)	\$6,000,000	Site Work	\$2,344,453
Deferred Developer Fee	\$2,250,000	Other Uses	\$318,000
TIF Subsidy	\$3,000,000	Soft Costs	\$4,732,460
		Developer Fee	\$2,250,000
<b>TOTAL SOURCES</b>	<b>\$29,034,158</b>	<b>TOTAL USES</b>	<b>\$29,034,158</b>

Note: Net cost to Developer = \$19,992,262 (total project cost less deferred developer fee and HTCs)

# Appendix: Proforma

Stabilized Office Tenant Rental Revenue	\$1,348,987
10% Vacancy Adjustment	(\$134,899)
Office Tenant Reimbursements	\$558,866
10% Vacancy Adjustment	(\$55,886)
Total Gross Office Revenue	\$1,717,068
Restaurant Rental Revenue	\$336,001
Total Gross Office and Restaurant Revenue	\$2,053,069
Office Expenses	(\$558,866)
Net Operating Income	\$1,494,203
Capitalization Rate	7.25%
Stabilized Value	\$20,609,696



# Appendix: Return on Cost Analysis

Return on Cost NOI/Net Project Cost	Return on Cost
Without TIF Subsidy	7.5%
With TIF Subsidy	8.8%

Note: Net project cost to Developer = \$19,992,262 (total project cost less deferred developer fee and HTCs)

# Appendix: Cash on Cash Analysis

Cash on Cash Return Cash Flow/Owner Equity Investment	Cash on Cash Return
Without TIF Subsidy	4.2%
With TIF Subsidy	8.1%

# Appendix: IRR Analysis

Internal Rate of Return (IRR)	IRR
Without TIF Subsidy	8.8%
With TIF Subsidy	12.8%



# Appendix: Development Team

OWNER/CONSULTANTS	
3309 ELM TIF, Inc.	Tom August
3310 ELM TIF, Inc.	Marilynn August
3311 ELM TIF, Inc.	Evan August
3312 ELM TIF, Inc.	Adam August
3313 ELM TIF, Inc.	Jordan August
Miklos Cinclair	J. Prabha Cinclair
Ramp Development	Jeff Carey
Inspired Stewardship	Jon Hendrickson
TKTR Architects, PLLC	Truett Roberts

# **Continental Gin Redevelopment Project Deep Ellum TIF District**

**Economic Development and  
Housing Committee  
April 1, 2019**

**Courtney Pogue, Director  
Office of Economic Development**



# Memorandum



DATE March 29, 2019

TO The Honorable 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 **Dallas Opportunity Zones Briefing**

## Summary

On April 1, 2019, the Committee will be briefed on the Investing in Opportunity Act, a federal statute designed to encourage investment in low income census tracts.

## Background

Included in the December 2017 federal tax reform legislation was a bipartisan act to spur investment in economically distressed communities. The Investing in Opportunity Act allows investors certain tax benefits if they invest in designated low-income census tracts known as Opportunity Zones through investment tools known as Opportunity Funds. There are 15 designated Opportunity Zone census tracts in Dallas. The briefing will describe the federal program, review the 15 Dallas zones, and discuss state and local roles in the program.

## Financing

There is no City financing associated with the federal legislation or the local Opportunity Zones.

## Recommendation

This briefing is for informational purposes only, and no council action is required at this time.

Should you have any questions, please contact me at (214) 670-1696.



Courtney Pogue, Director  
Office of Economic Development

Investing in Opportunity Act  
March 29, 2019  
Page 2

- c: Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
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  
Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# Dallas Opportunity Zones Briefing

## Economic Development and Housing Committee

April 1, 2019

Robin Bentley, Assistant Director  
Office of Economic Development  
City of Dallas



# Overview

Included in the December 2017 federal tax reform legislation was a bipartisan act to spur investment in economically distressed communities.

The “*Investing in Opportunity Act*” allows investors certain tax benefits if they invest in designated low-income census tracts known as Opportunity Zones through investment tools known as Opportunity Funds.

# What is an Opportunity Zone?

An “Opportunity Zone” is a census tract which has been designated by a state or territory and certified by the U.S. Treasury as eligible to receive investment through qualified Opportunity Funds.

On June 14, 2018, the U.S. Treasury designated more than 8,000 Opportunity Zones across the 50 states, the District of Columbia, and five U.S. territories.

The designations will remain in effect until December 31, 2028. The statute does not contemplate adding to or revising the designations during the 10-year period.

# What is an Opportunity Fund?

An “Opportunity Fund” is an entity formed for the purpose of investing in Opportunity Zones.

An Opportunity Fund is capitalized by investors’ realized capital gains, and must deploy 90% of that capital in Opportunity Zones.

Investment into an Opportunity Fund must be made within 180 days of the date of the sale or exchange giving rise to the capital gain.

# Tax Benefits

**Opportunity Fund investors may potentially realize 3 tax benefits:**

- 1. DEFERRAL of Capital Gains Tax Payment:** The original gain invested in the Opportunity Fund is taxable when the investment in the Opportunity Fund is sold or on Dec. 31, 2026, whichever occurs first.
- 2. REDUCTION of Capital Gains Tax Payment:** A taxpayer investing in an Opportunity Fund has an initial basis in the Fund of 0. After 5 years, the investor's tax basis is increased by 10%. After 7 years, the investor's tax basis is increased by an additional 5%.
- 3. FORGIVENESS of Additional Gain:** If an investor holds its interest in an Opportunity Fund for at least 10 years, its basis is stepped up to FMV as of the date of sale. The result is no gain (and therefore no tax liability) on any appreciation above the amount of the initial investment.

# Tax Benefits Example

**April 1, 2019:** Investor invests \$20M of capital gains in an Opportunity Fund. Payment of taxes on these gains is deferred until December 31, 2026.

REDUCTION

**April 2, 2024:** Investor's basis in the Fund is increased from 0 to 10% after 5 years. The new basis is \$2M (10% of \$20M). Investor now owes taxes only on \$18M of the original capital gain.

REDUCTION

**April 2, 2026:** Investor's basis in the Fund is increased from 10% to 15% after 7 years. The new basis is \$3M (15% of \$20M). Investor now owes taxes only on \$17M of the original capital gain.

**December 31, 2026:** Investor has to pay taxes on the \$17M.

FORGIVENESS

**April 2, 2029:** The investment in the Fund has increased from \$20M to \$60M (\$40M of potential gain). However, when the investment is sold, no taxes will be due on the \$40M in gain.

DEFERRAL

# Texas Opportunity Zones

The Act allowed each state's governor to designate up to 25% of all eligible census tracts as Opportunity Zones eligible for investment under the Act.

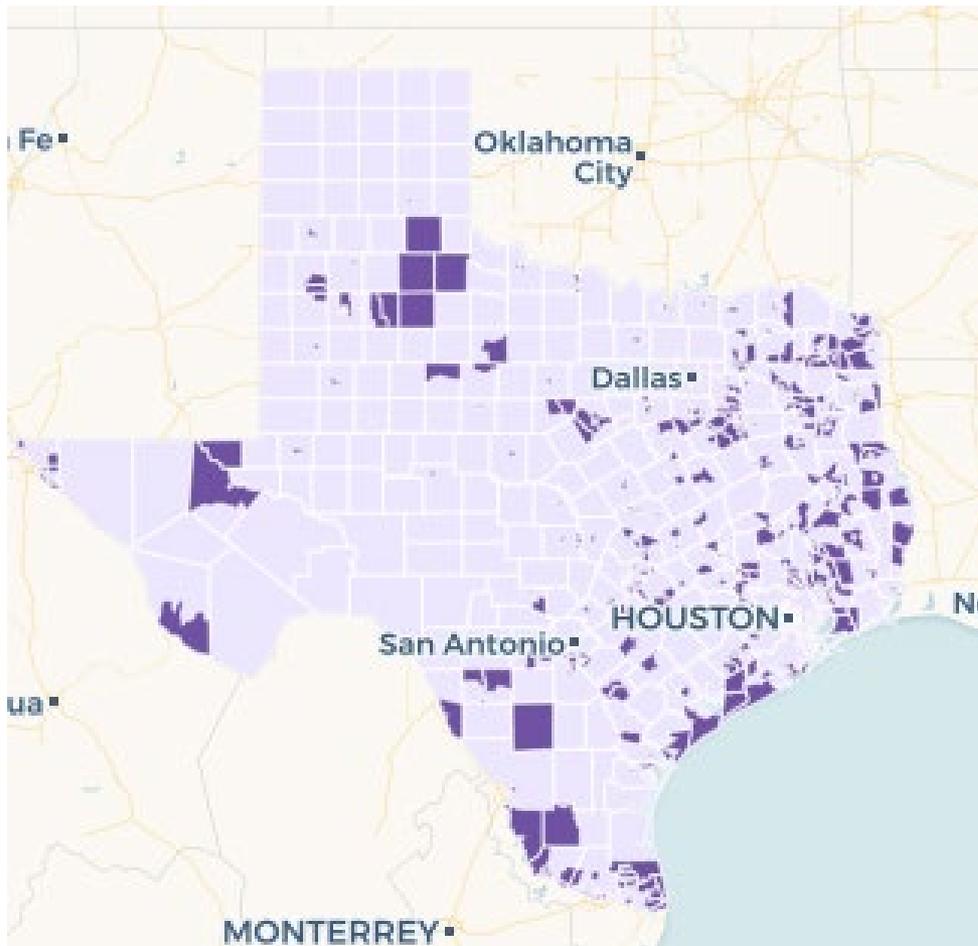
Mayor Rawlings proposed 62 census tracts in the City of Dallas to the State of Texas Office of the Governor.

Governor Abbott nominated 628 census tracts in 145 counties of Texas. All 628 were confirmed by the U.S. Department of Treasury.

The Governor's Office's analysis was weighted toward three factors:

1. Areas of chronic unemployment
2. Areas with lower population density
3. Areas experiencing significant economic disruptors such as natural disasters within the past two years

# Texas Opportunity Zones

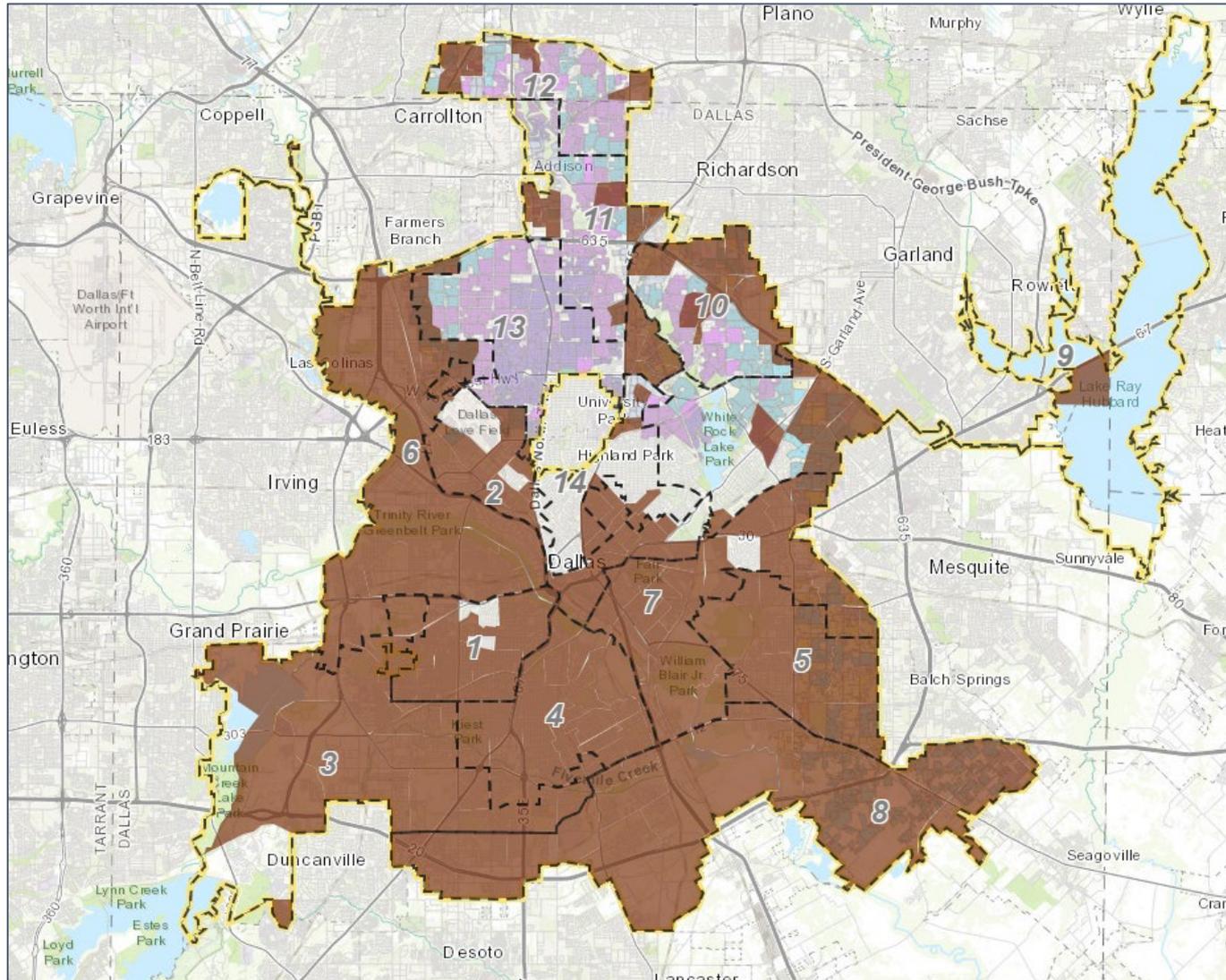


- 628 Total Opportunity Zones
- 60% of Texas's zones are in a partially or fully rural census tract
  - Rural areas are overrepresented in zone selection, as only 38% of all Texas census tracts fall into the partially or fully rural designation
- Counties with the most zones:
  - **Harris** (105 zones, representing 16.7% of the total zones)
  - **Bexar** (24, 3.8% of the total)
  - **Hidalgo** (23, 3.7% of the total)
  - **Travis** (21, 3.3% of the total)
  - **Dallas** (18, 2.9% of the total)

# Texas Opportunity Zones

	Not Eligible	Eligible, Not Selected	Opportunity Zone
<b>Race/Ethnicity (%)</b>			
White	60.5	27.2	34.0
Black	8.0	14.8	18.9
Hispanic/Latino	24.1	54.2	44.6
<b>Poverty (%)</b>			
In poverty	8.6	26.5	28.1
<b>Education (%)</b>			
Less than high school	9.7	28.3	28.0
Bachelor's or higher	37.4	16.4	13.4
Percentage point increase in college graduates 2012–2016	7.6	19.2	21.9
<b>Median Home Value</b>			
Median home value 2016 (\$)	211,141	102,343	89,932
Percent increase in home value 2012–2016 (%)	12.5	7.0	9.3
 Indicates significant difference between OZ tract and eligible, not-selected tract			

# Eligible Census Tracts in Dallas

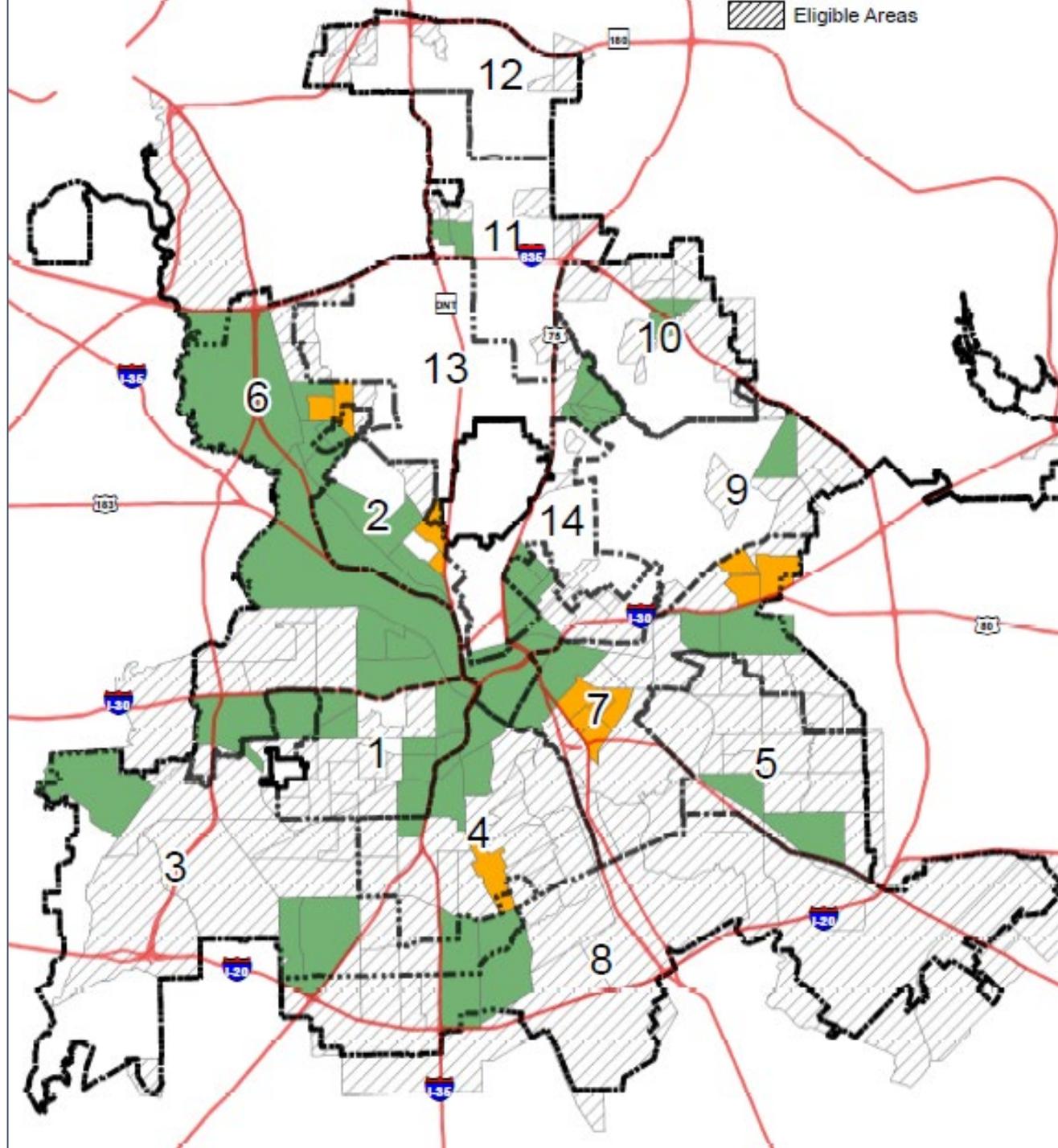


Census Tracts eligible for nomination as an Opportunity Zone

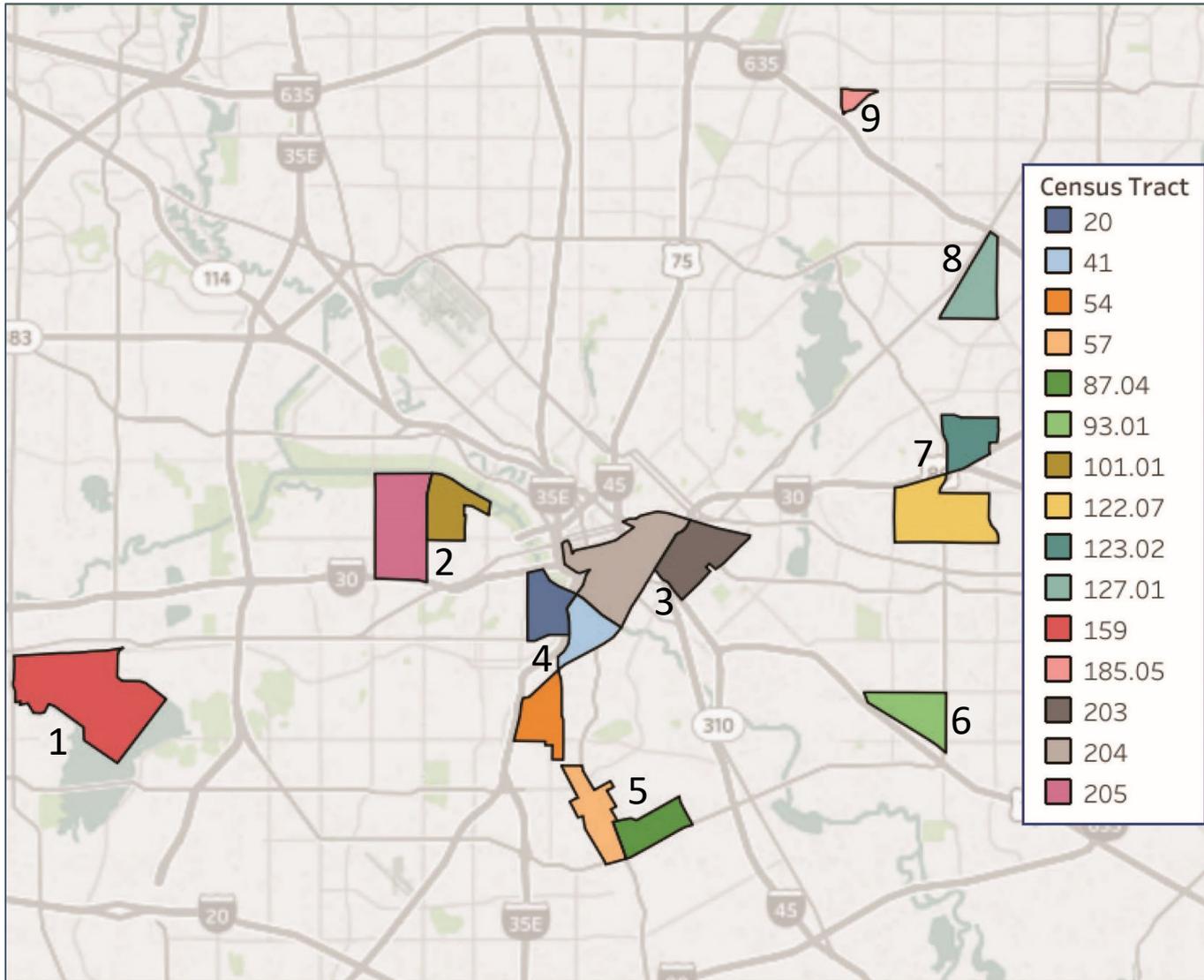
# Proposed Dallas Census Tracts



These are the 62 census tracts that the Mayor's Office nominated to the Office of the Governor for consideration.



# Designated Dallas Opportunity Zones



The City of Dallas has 15 designated Opportunity Zones.

The zones are in 9 general clusters:

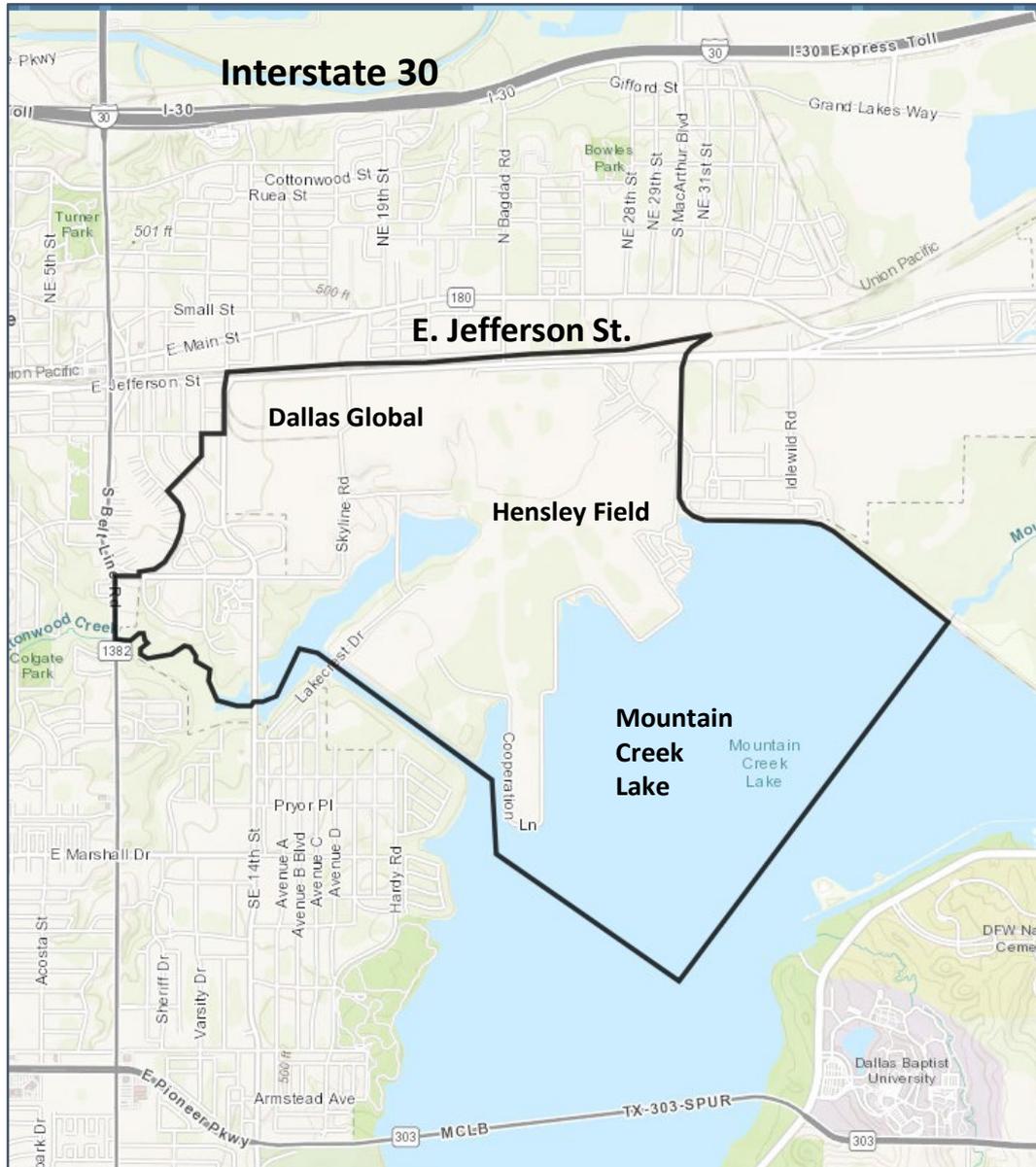
1. Hensley Field
2. West Dallas
3. Cedars/Fair Park
4. Southern Gateway
5. Lancaster Corridor
6. Buckner Station
7. Buckner/I-30
8. Garland Road
9. Forest Audelia



## Cluster #1: Hensley Field



# Hensley Field - Overview



**Council District 3** (also includes a small part of Grand Prairie on the western edge)

**Census Tract 48113015900**

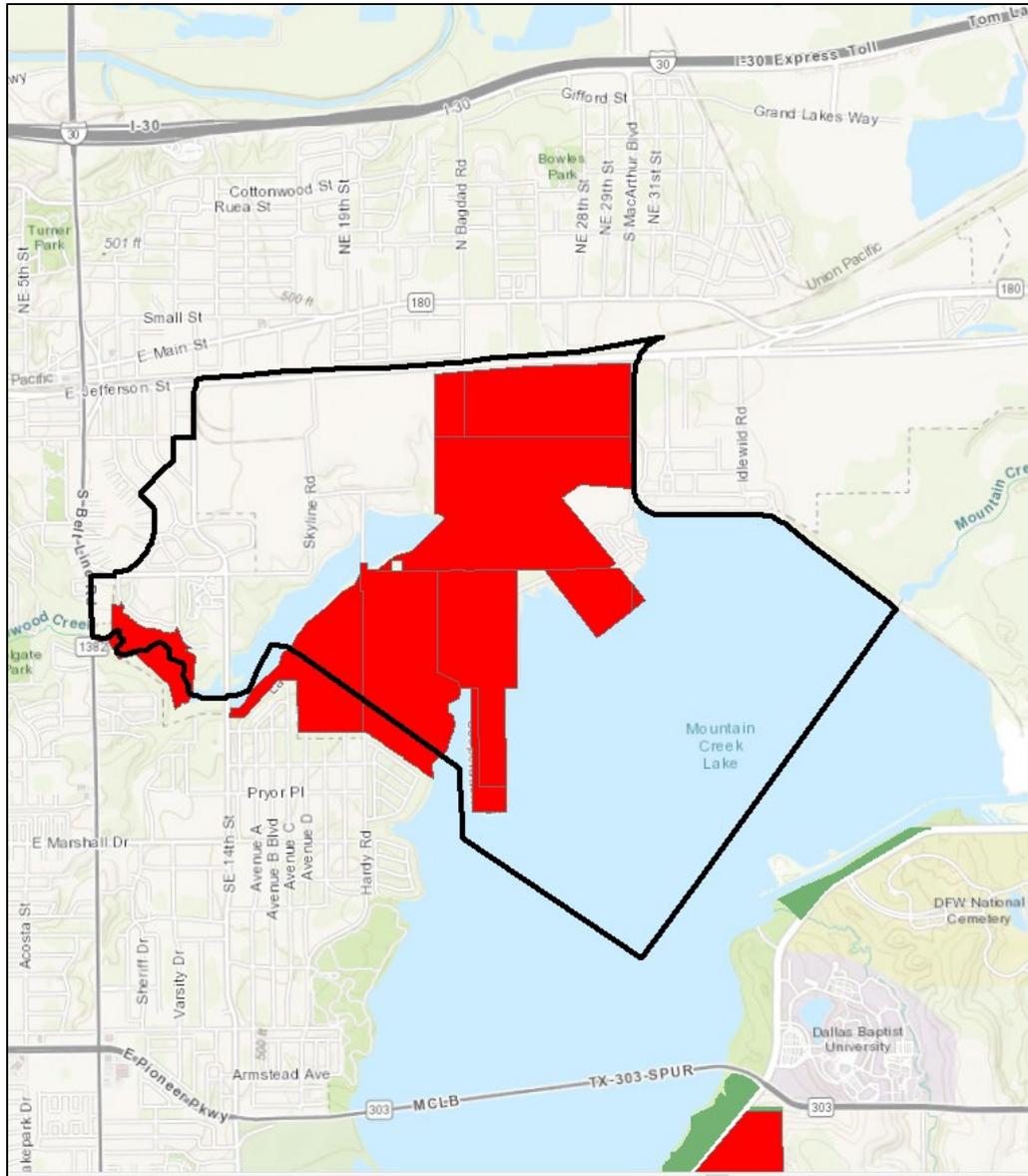
## Opportunities:

- Entire census tract is NMTC and CDBG eligible
- City owns approximately half of the land (Hensley Field)
- Recent redevelopment of Dallas Global site

## Challenges:

- Hensley Field environmental contamination and associated litigation
- No transit stops in the zone

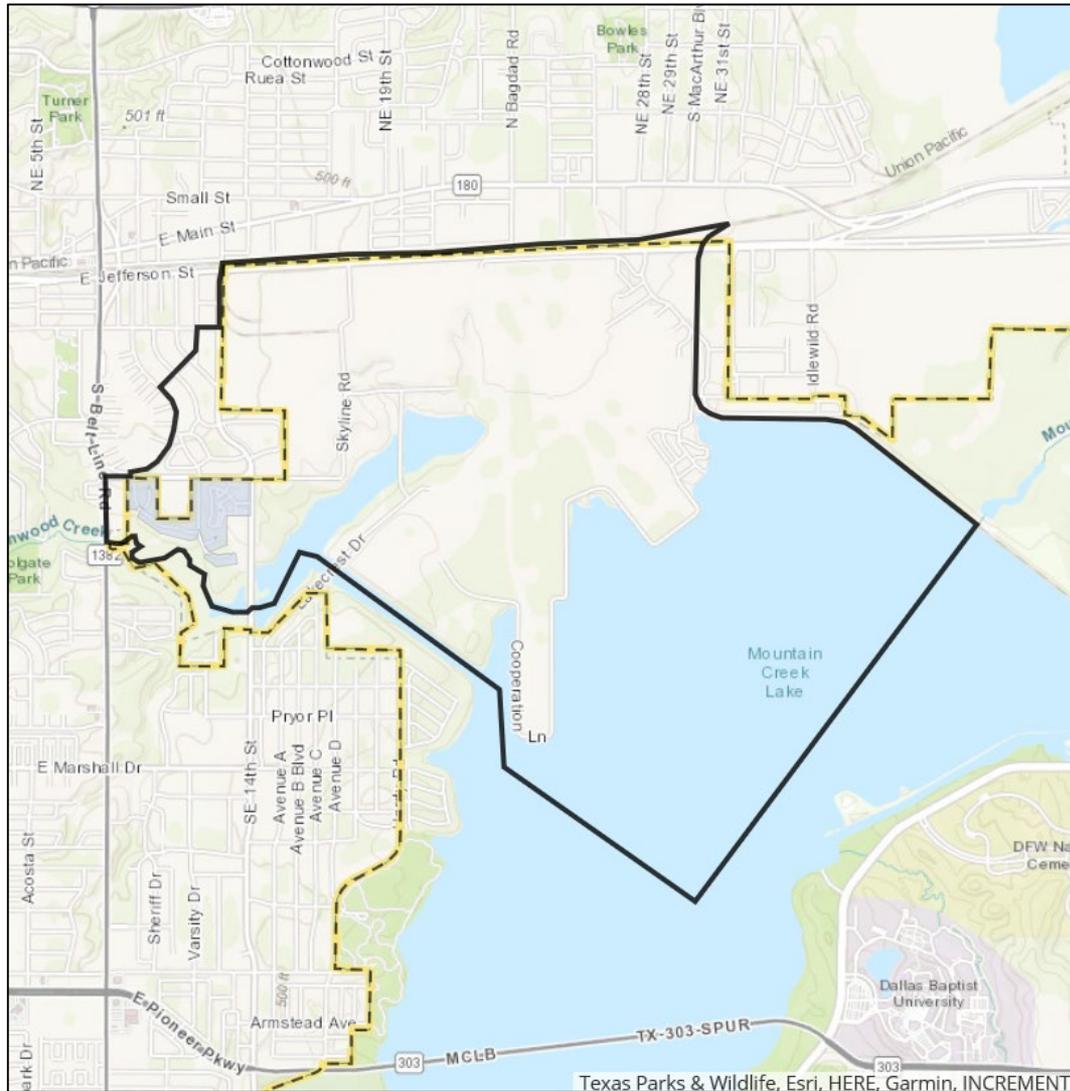
# Hensley Field – City Owned Property



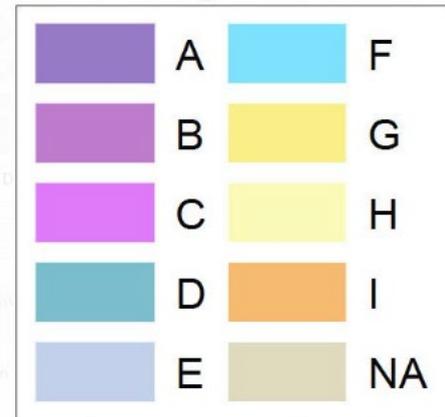
 City-owned property –  
Park & Recreation

 City-owned property –  
all other departments

# Hensley Field - MVA



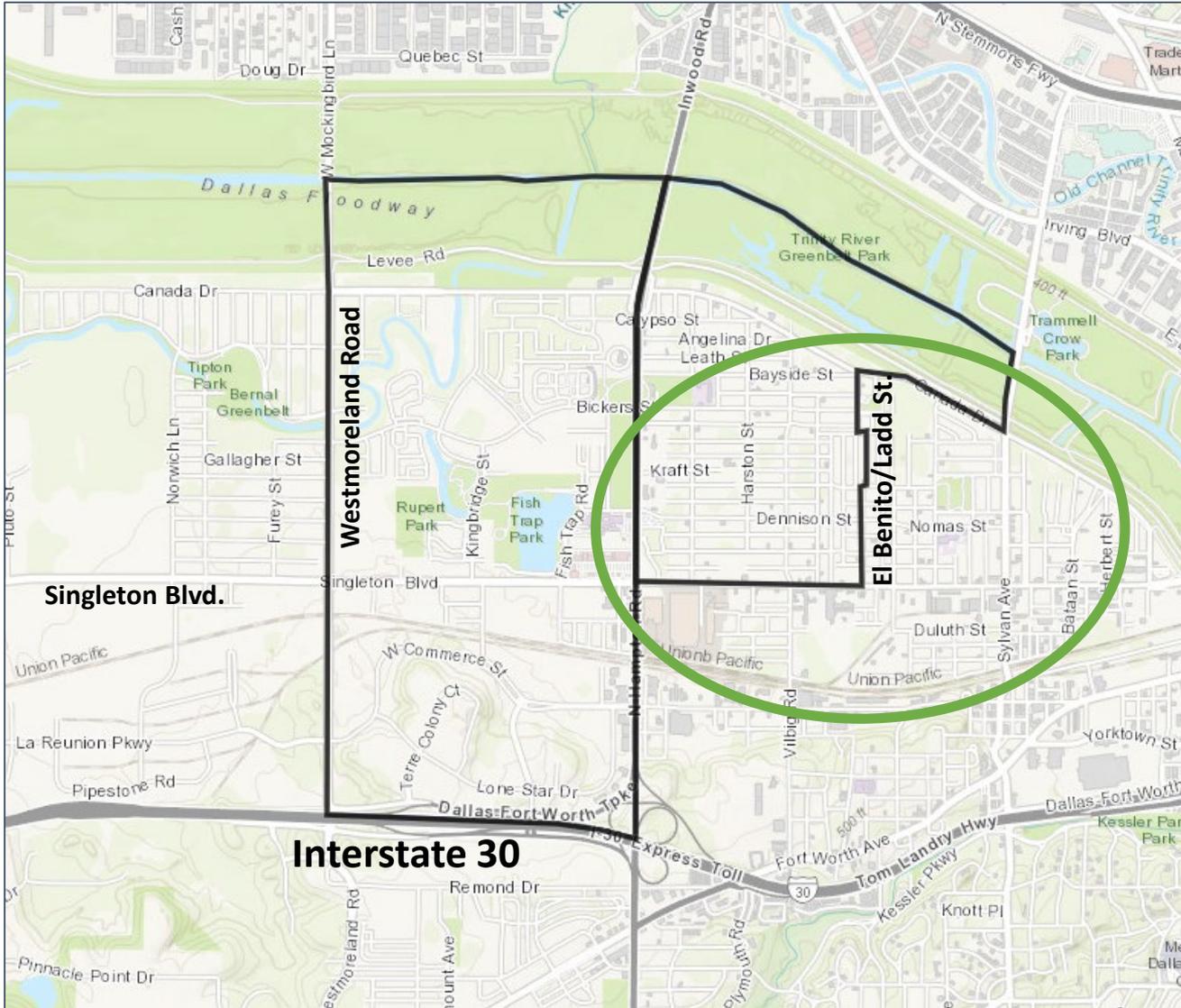
MVA Legend



# Cluster #2: West Dallas



# West Dallas - Overview



## Council District 6

Census Tracts 48113010101 and 48113020500

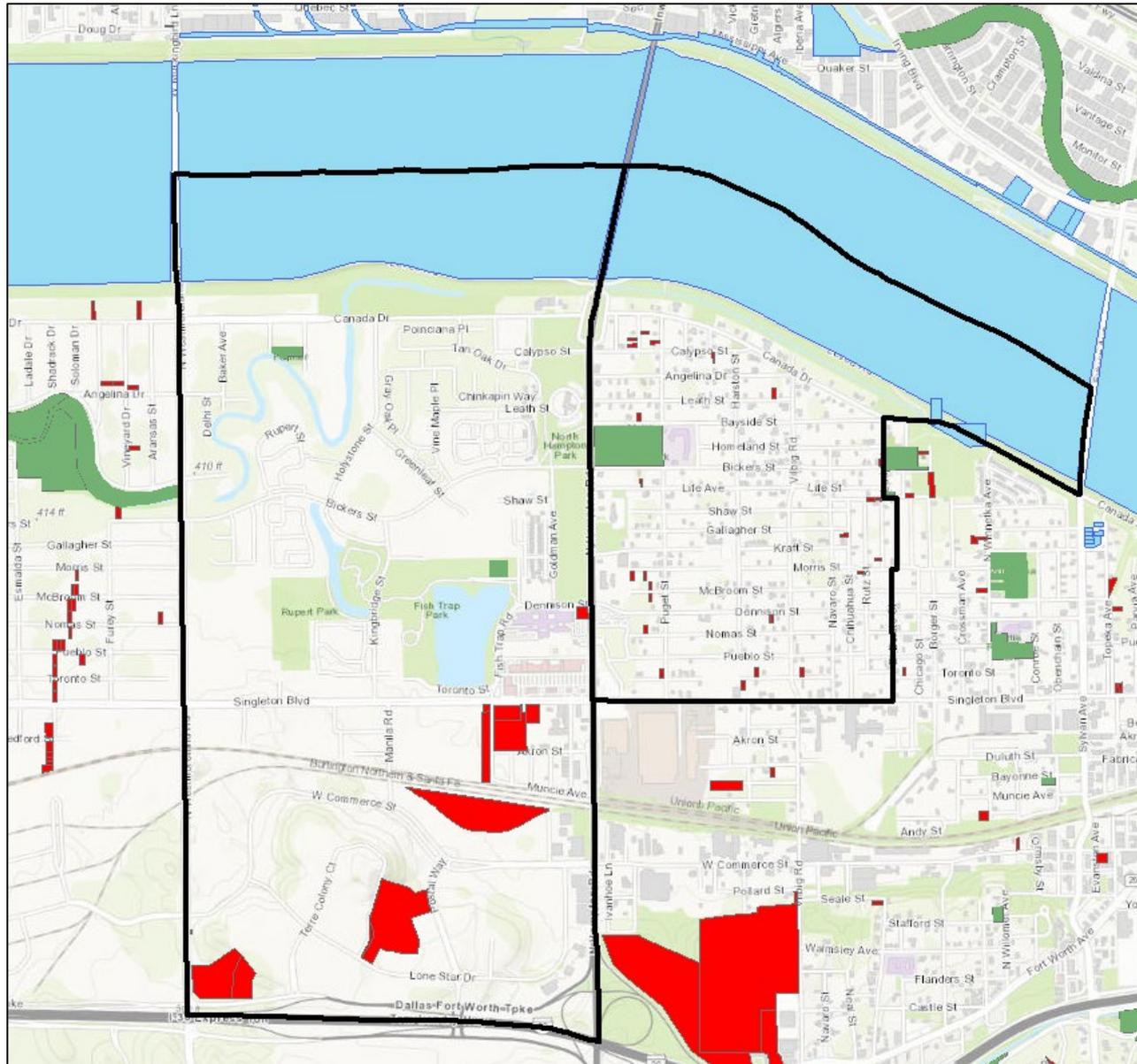
### Opportunities:

- Both census tracts are NMTC and CDBG eligible
- The zone is partially in a **Housing Stabilization Area**
- DISD, SMU, and Toyota partnering for new K-8 STEM campus in the area

### Challenges:

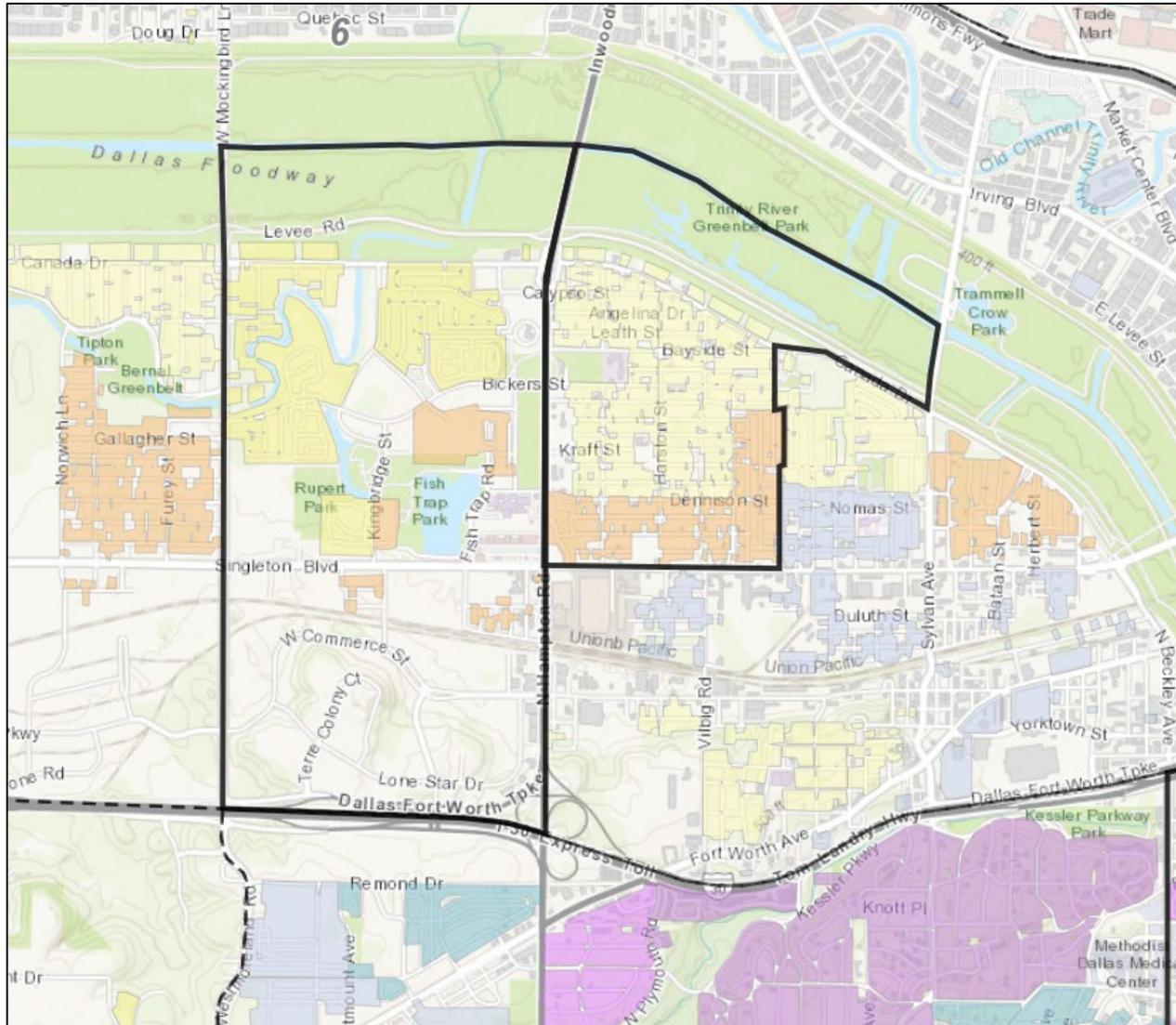
- Census tract 48113020500 (the western tract) is a RECAP area

# West Dallas – City Owned Property



-  City-owned property – Trinity Watershed
-  City-owned property – Park & Recreation
-  City-owned property – all other departments

# West Dallas- MVA



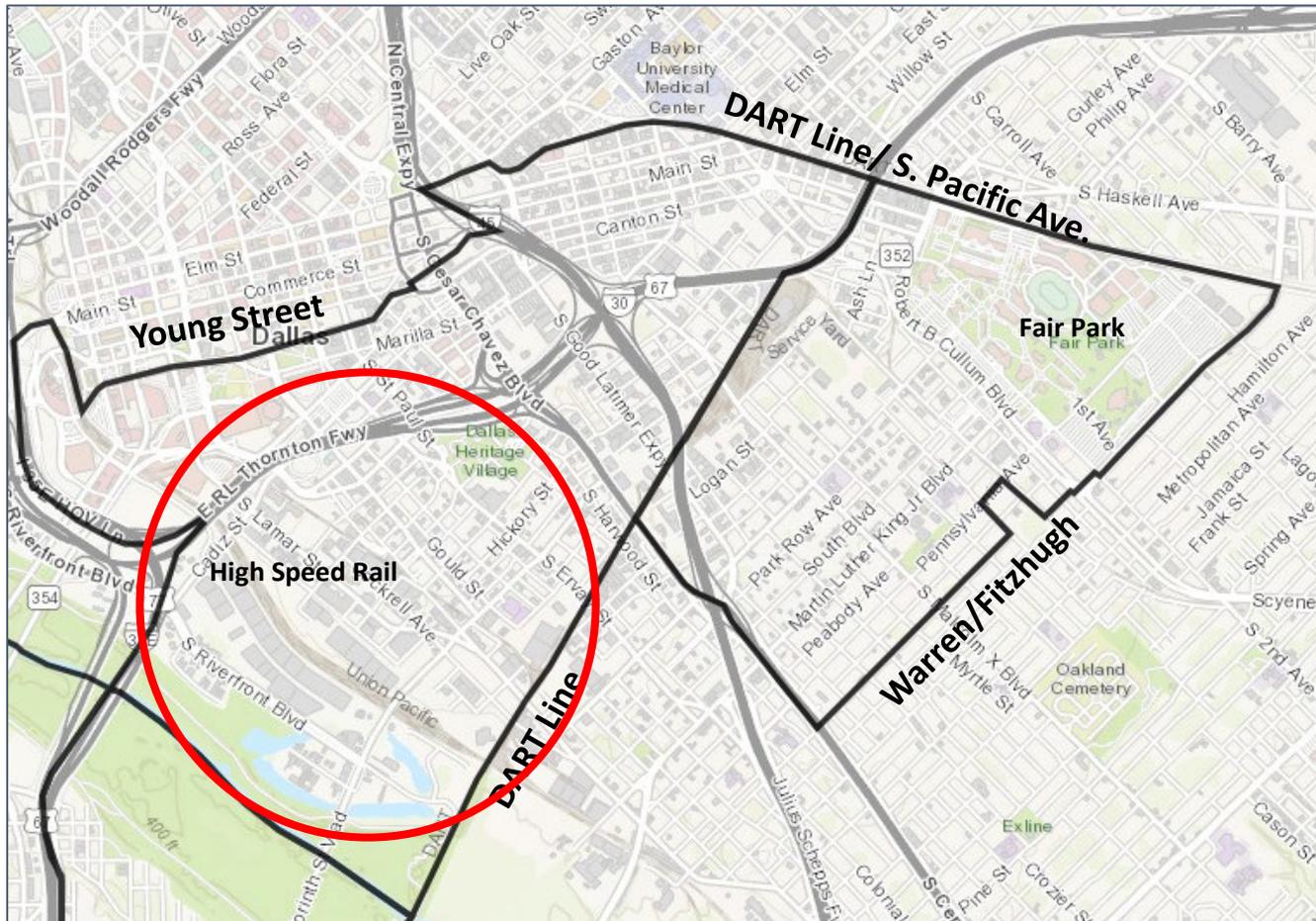
MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA



## Cluster #3: Cedars/Fair Park

# Cedars/Fair Park - Overview



## Council Districts 2 and 7

Census Tracts 48113020400 and 48113020300

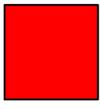
### Opportunities:

- Both tracts are NMTC eligible.
- New Fair Park management agreement
- High Speed Rail station location
- **Housing Redevelopment Area**
- TOD, Cedars, Farmers Market, Grand Park South, and Deep Ellum TIFs cover portions of the zones.
- Six DART rail stops in zones
- South Dallas Fair Park Opportunity Fund covers the eastern tract

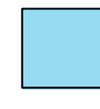
### Challenges:

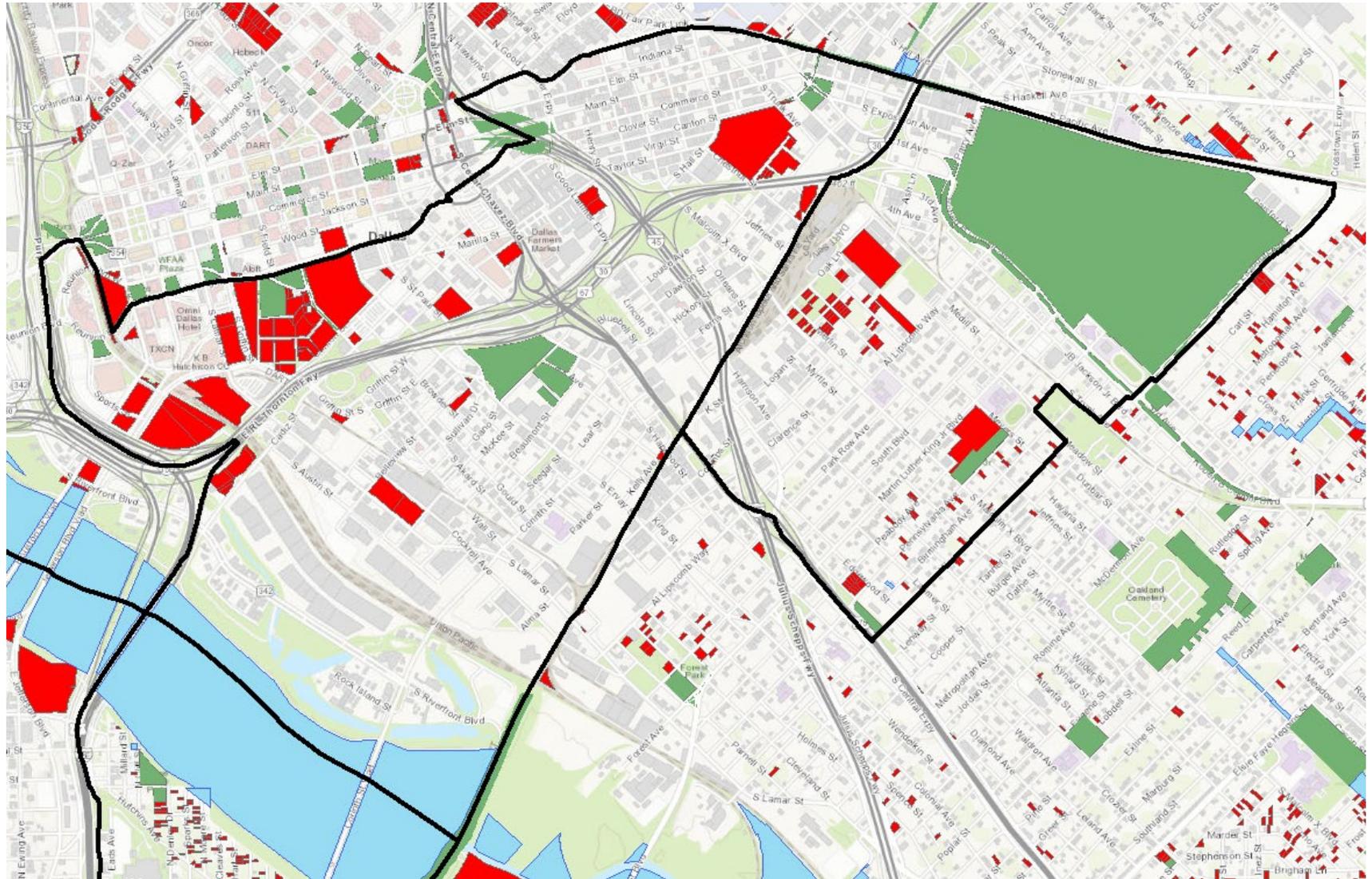
- The median household income of the western tract is \$66,304, while the eastern tract is \$19,970. Potential for displacement of low income residents.

# Cedars/Fair Park – City Owned Property

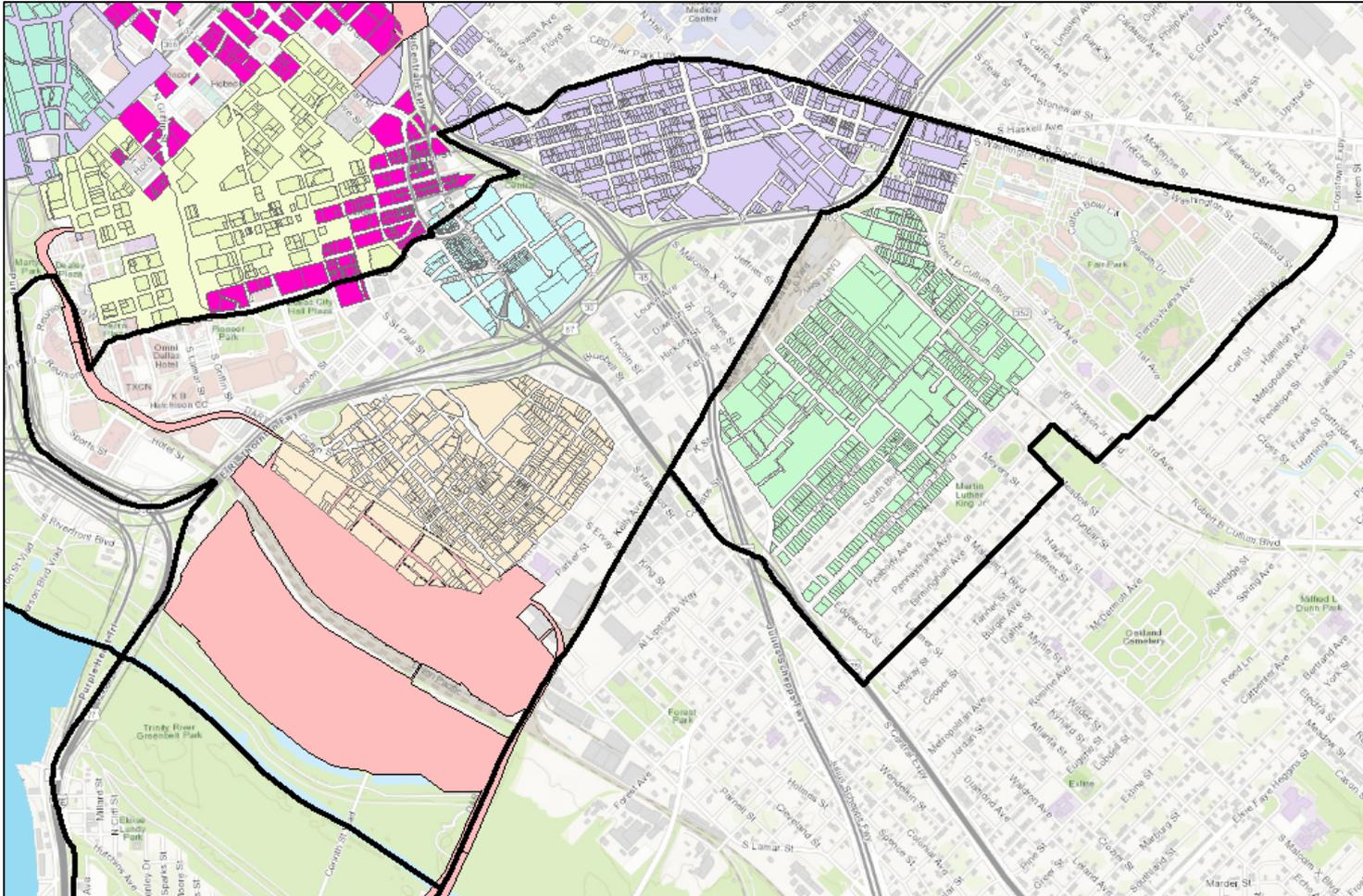
 City-owned property – all other departments

 City-owned property – Park & Recreation

 City-owned property – Trinity Watershed



# Cedars/Fair Park – TIF Districts



Farmers Market  
TIF District



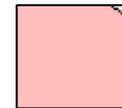
Deep Ellum  
TIF District



Grand Park South  
TIF District



Cedars  
TIF District

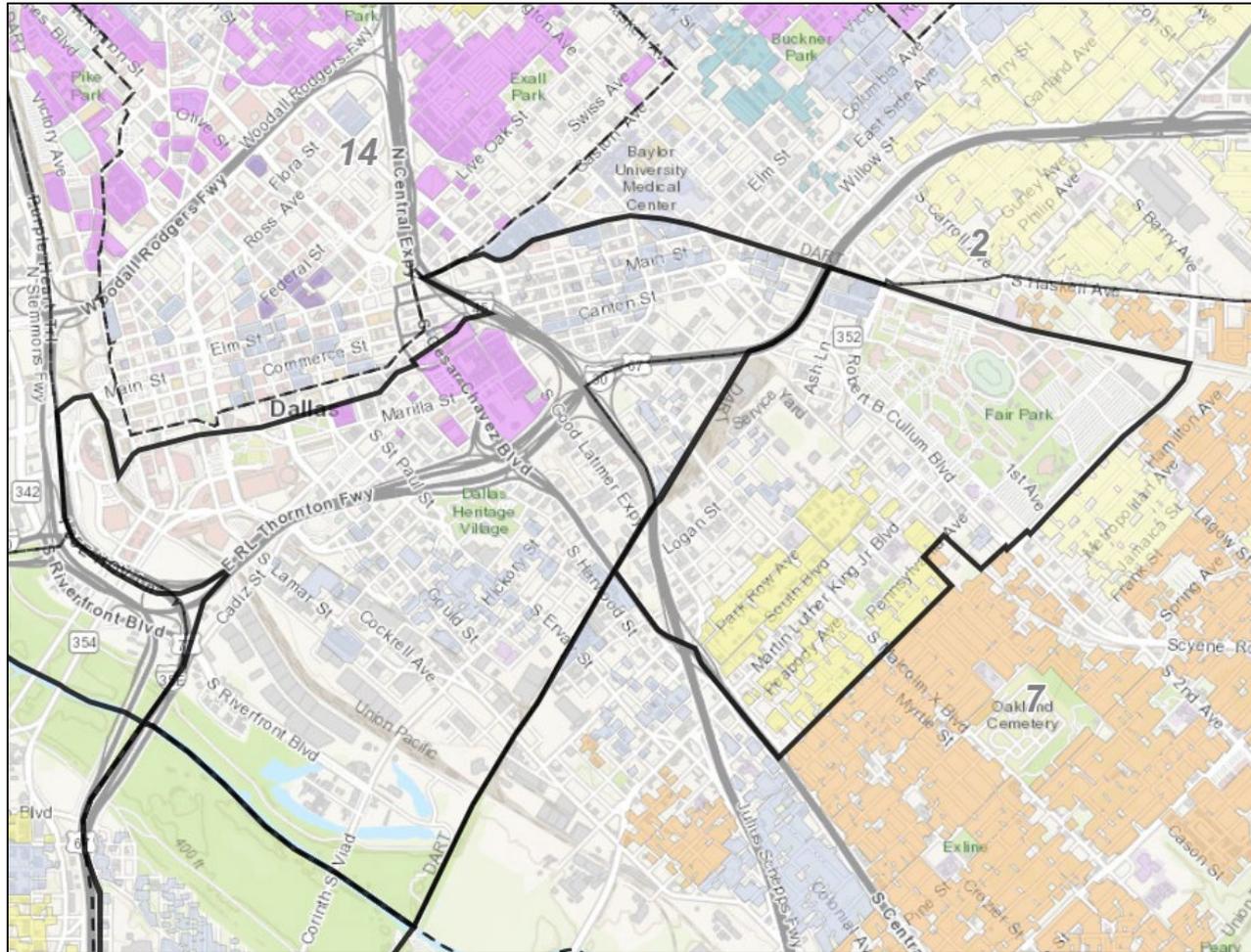


TOD  
TIF District



Downtown  
Connection  
TIF District

# Cedars/Fair Park - MVA



MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA



# Cluster #4: Southern Gateway

# Southern Gateway - Overview

## Council Districts 1 and 4

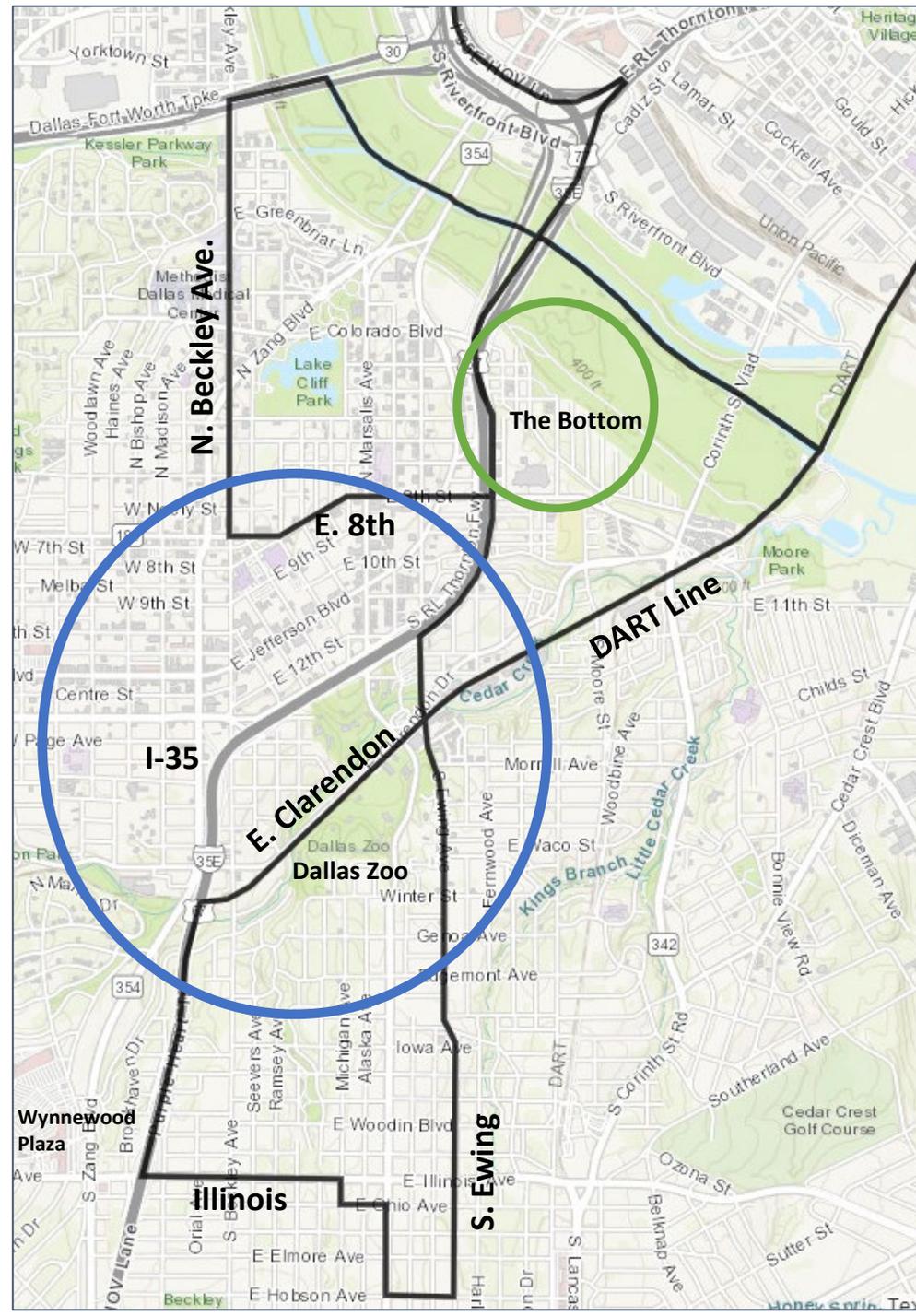
Census Tracts 48113002000, 48113004100, and 48113005400

## Opportunities:

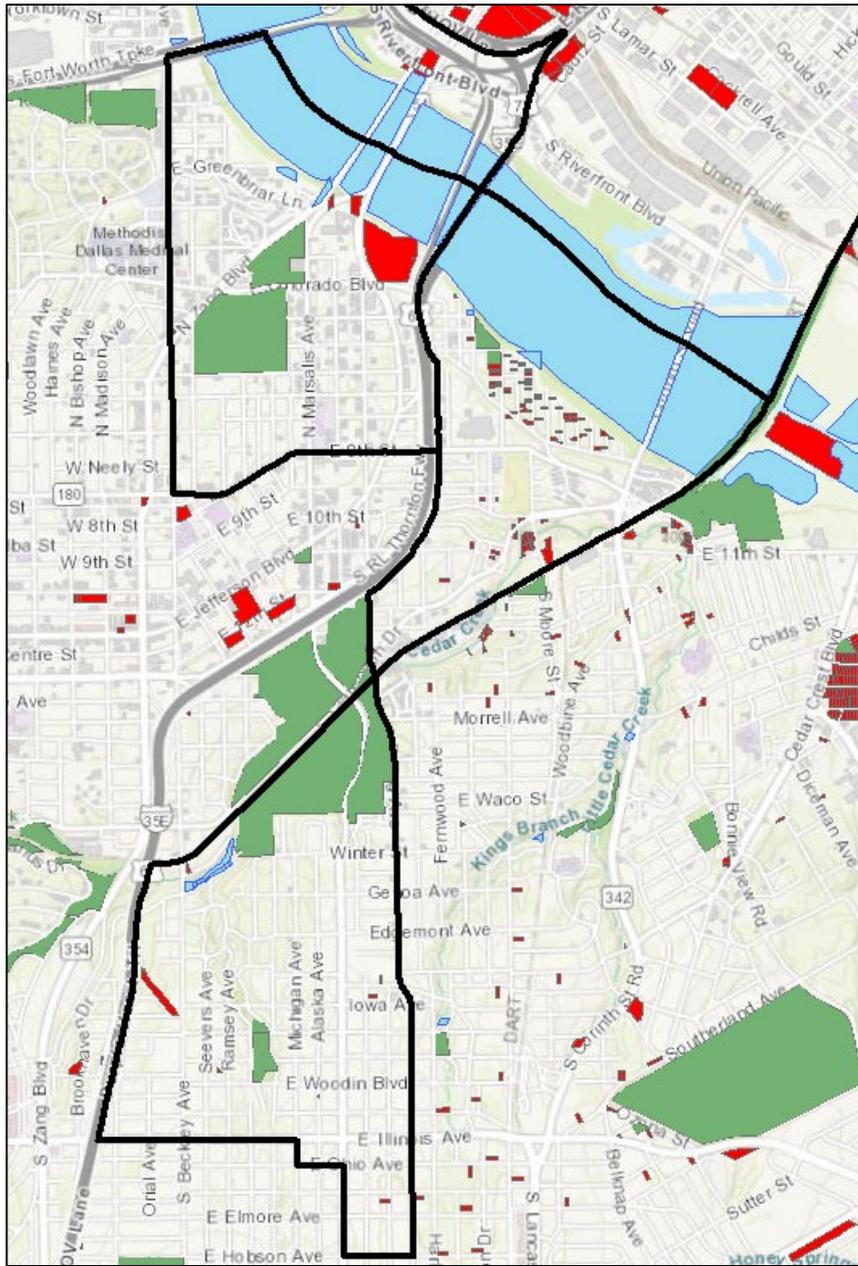
- All census tracts are NMTC and CDBG eligible.
- Portions of the zones are in **Housing Stabilization** and **Emerging Market Areas**
- Oak Cliff Gateway and TOD TIFs cover portions of the zones.
- Nearby redevelopment of Wynnewood Plaza shopping center
- Southern Gateway - TxDOT redevelopment of I-35
- Potential Southern Gateway Deck Park near Dallas Zoo

## Challenges:

- Census tract 48113004100 (the easternmost tract) is a RECAP area

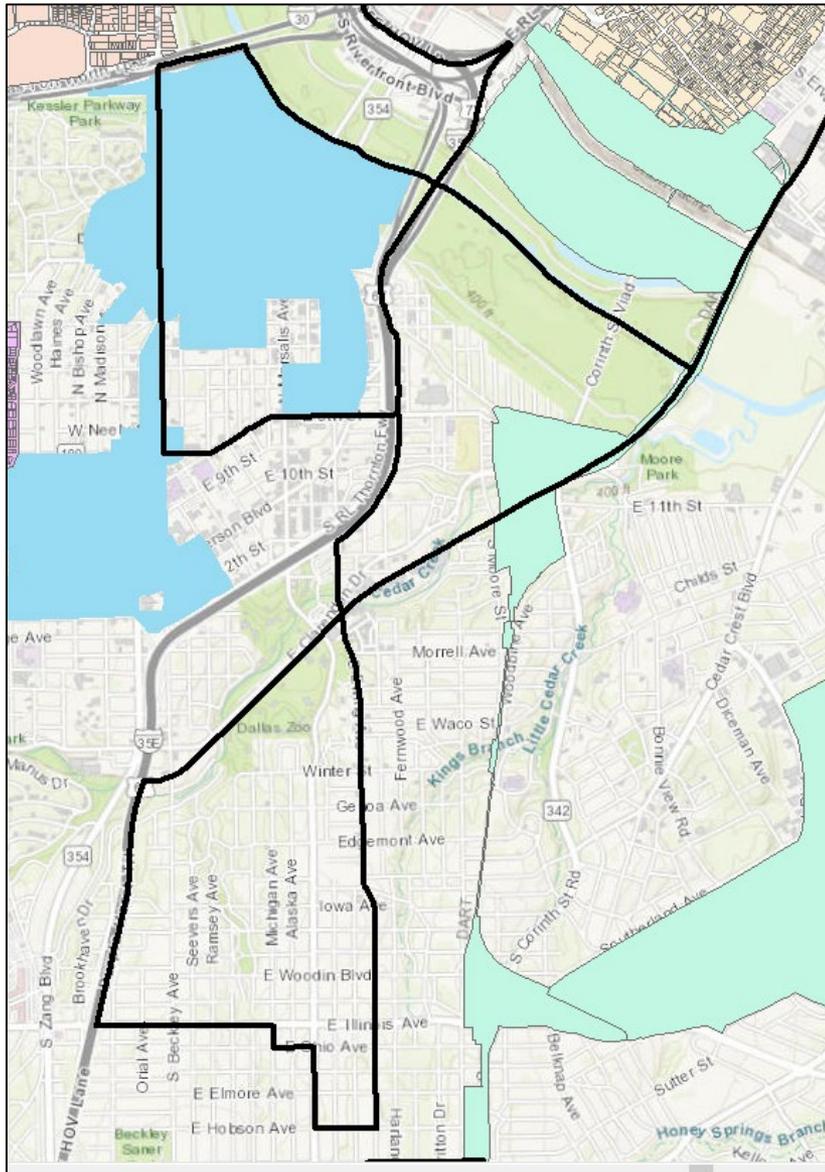


# Southern Gateway – City Owned Property



-  City-owned property – Trinity Watershed
-  City-owned property – Park & Recreation
-  City-owned property – all other departments

# Southern Gateway – TIF Districts



 Oak Cliff Gateway TIF Boundary

 TOD TIF Boundary

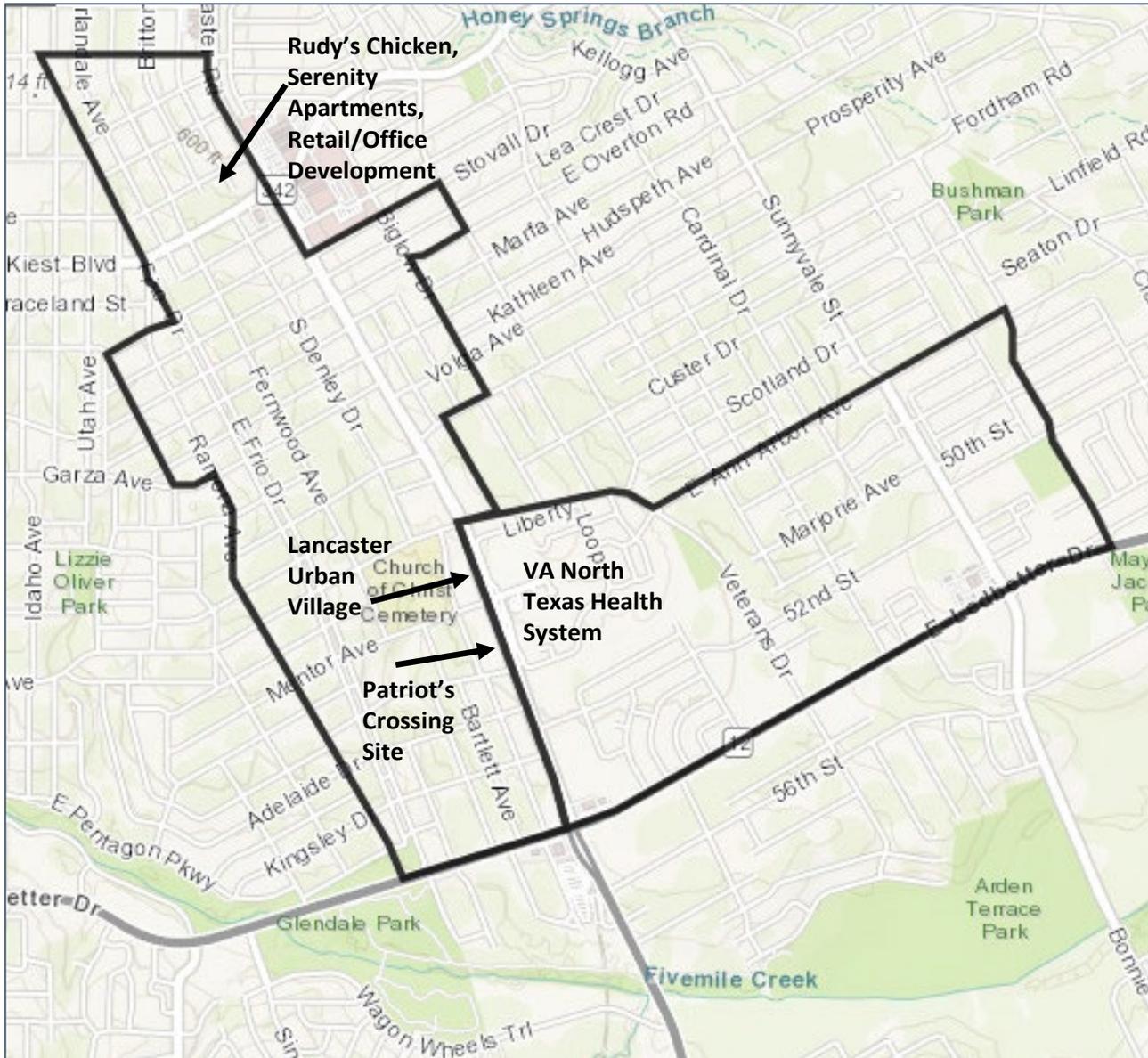




## Cluster #5: Lancaster Corridor



# Lancaster Corridor - Overview



## Council Districts 3 and 4

Census Tracts 48113005700 and 48113008704

### Opportunities:

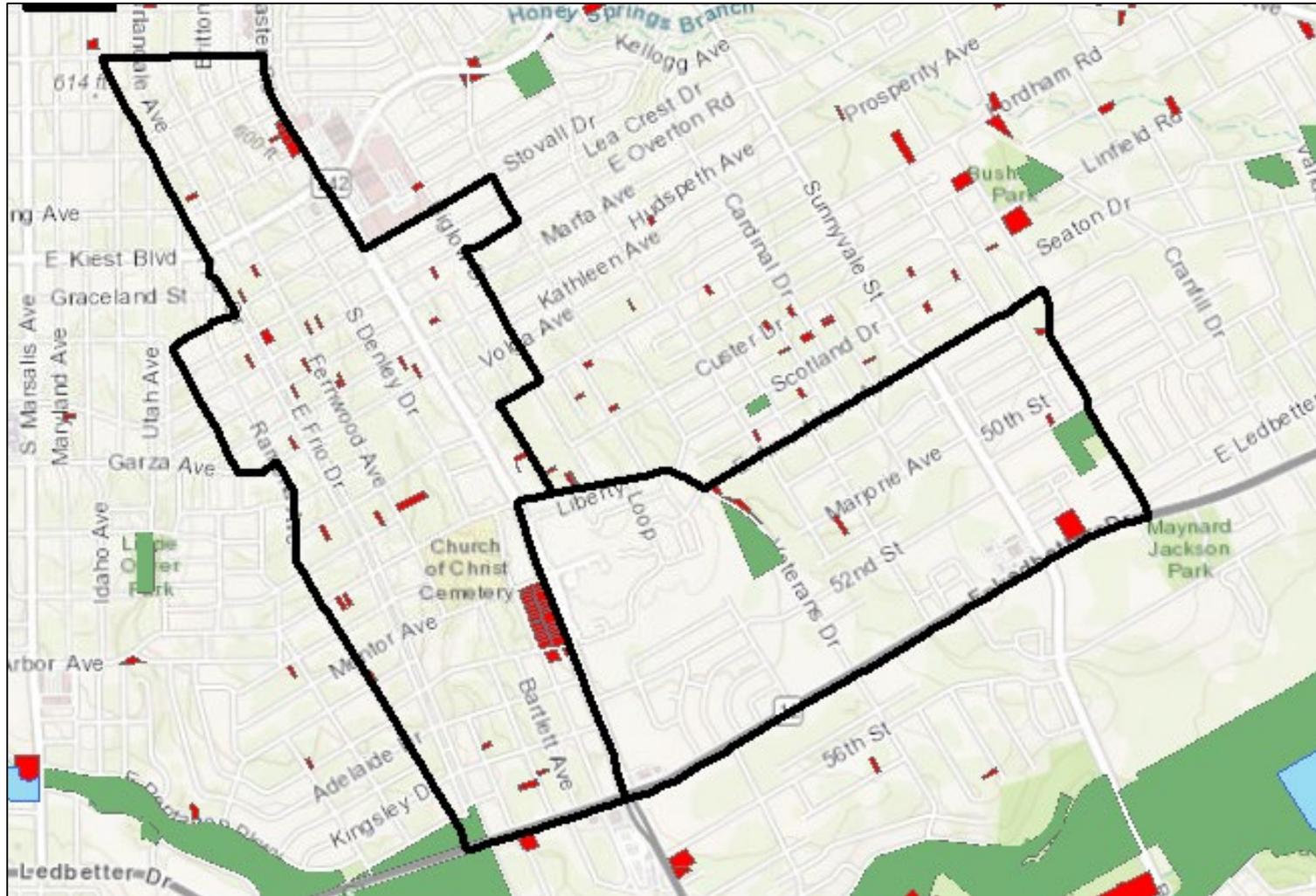
- Both census tracts are NMTC and CDBG eligible.
- TOD TIFs cover small portions of the zones.
- City owns 7-acre site across from VA facility (Patriot's Crossing)
- Recent City investments (Rudy's Chicken, Serenity Apartments, Lancaster Urban Village)

### Challenges:

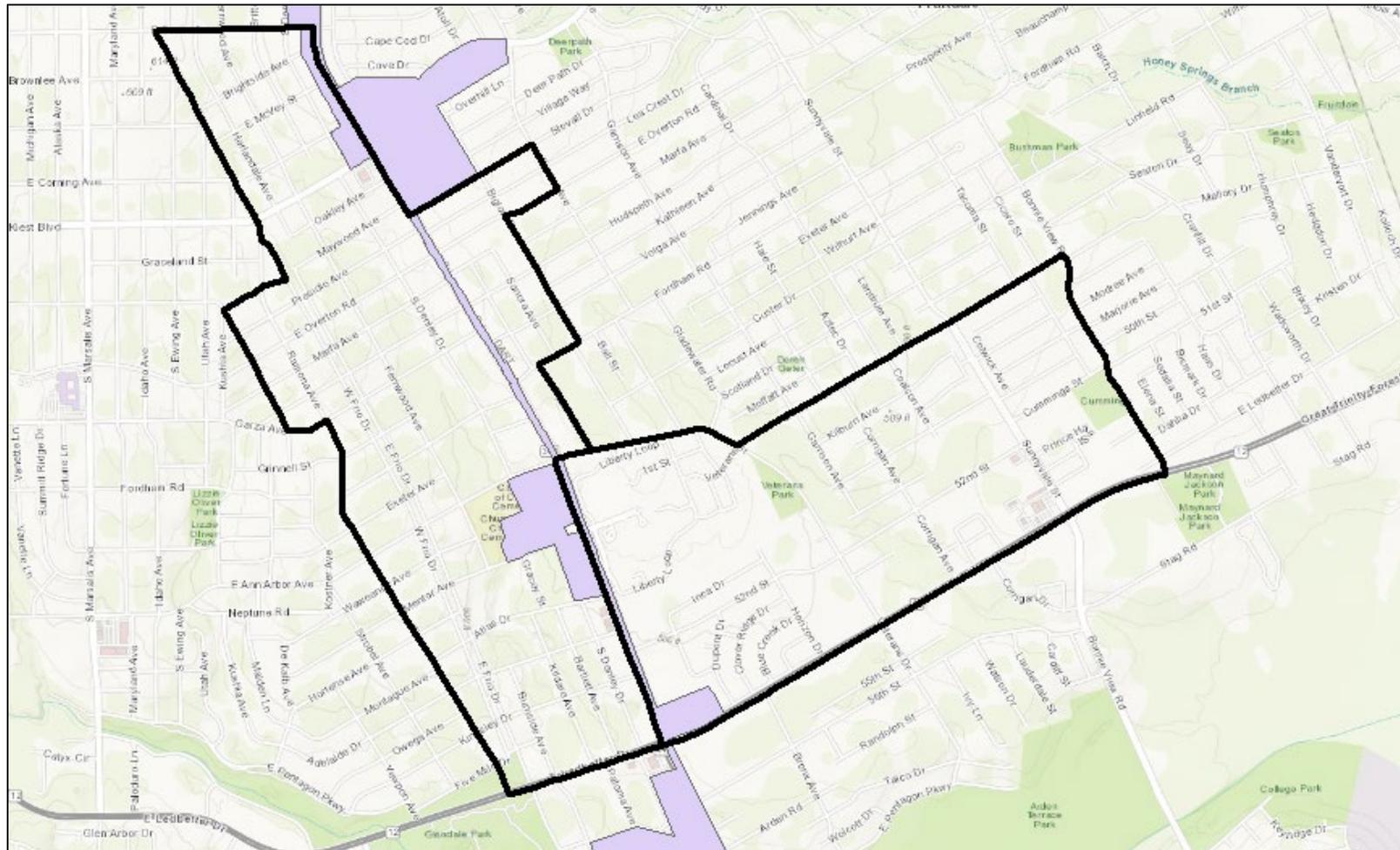
- Per Market Value Analysis, most residential properties in the zones are Categories G, H, and I (most stressed categories)

# Lancaster Corridor – City Owned Property

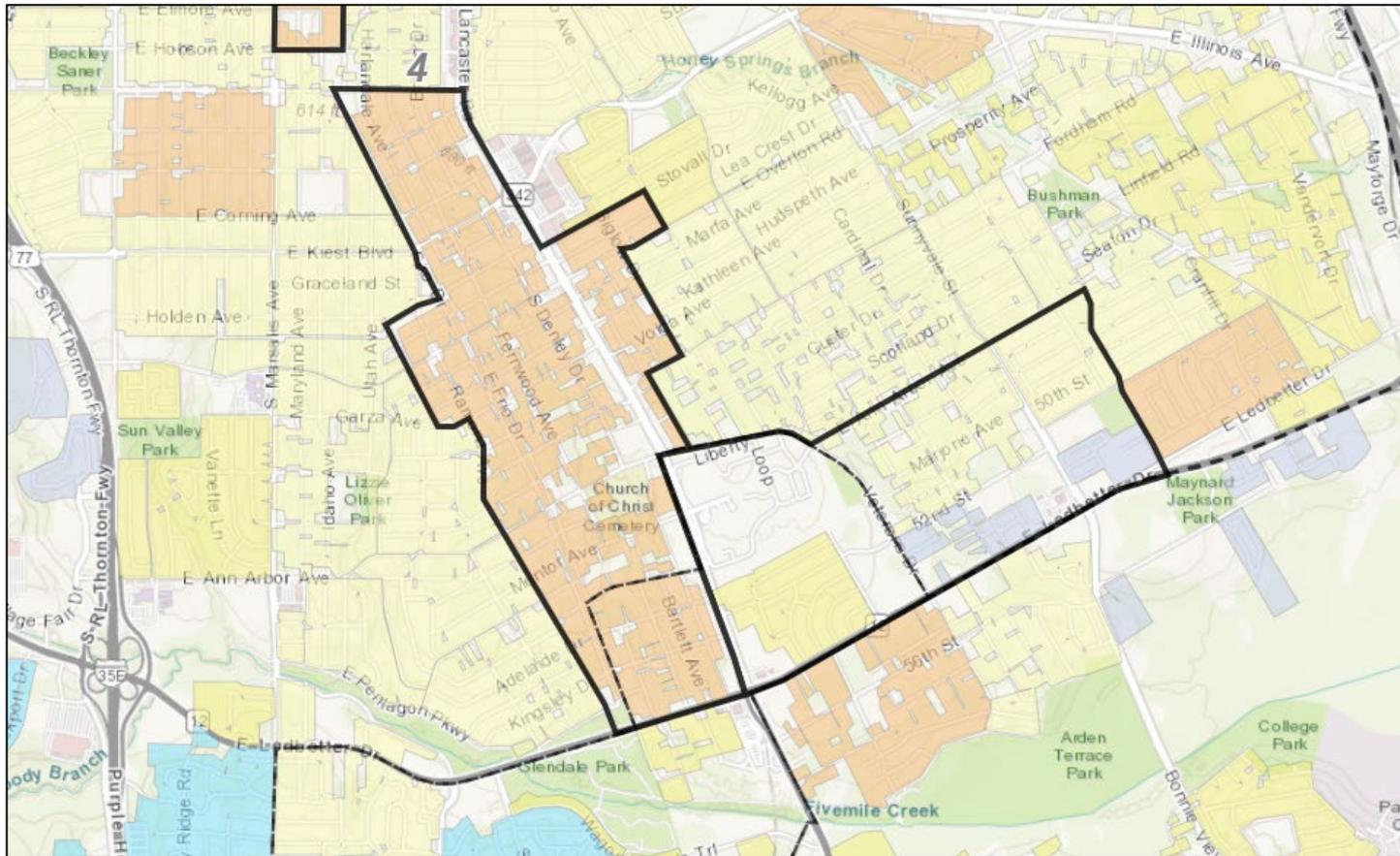
-  City-owned property – all other departments
-  City-owned property – Park & Recreation
-  City-owned property – Trinity Watershed



# Lancaster Corridor – TIF Districts



# Lancaster Corridor - MVA



MVA Legend

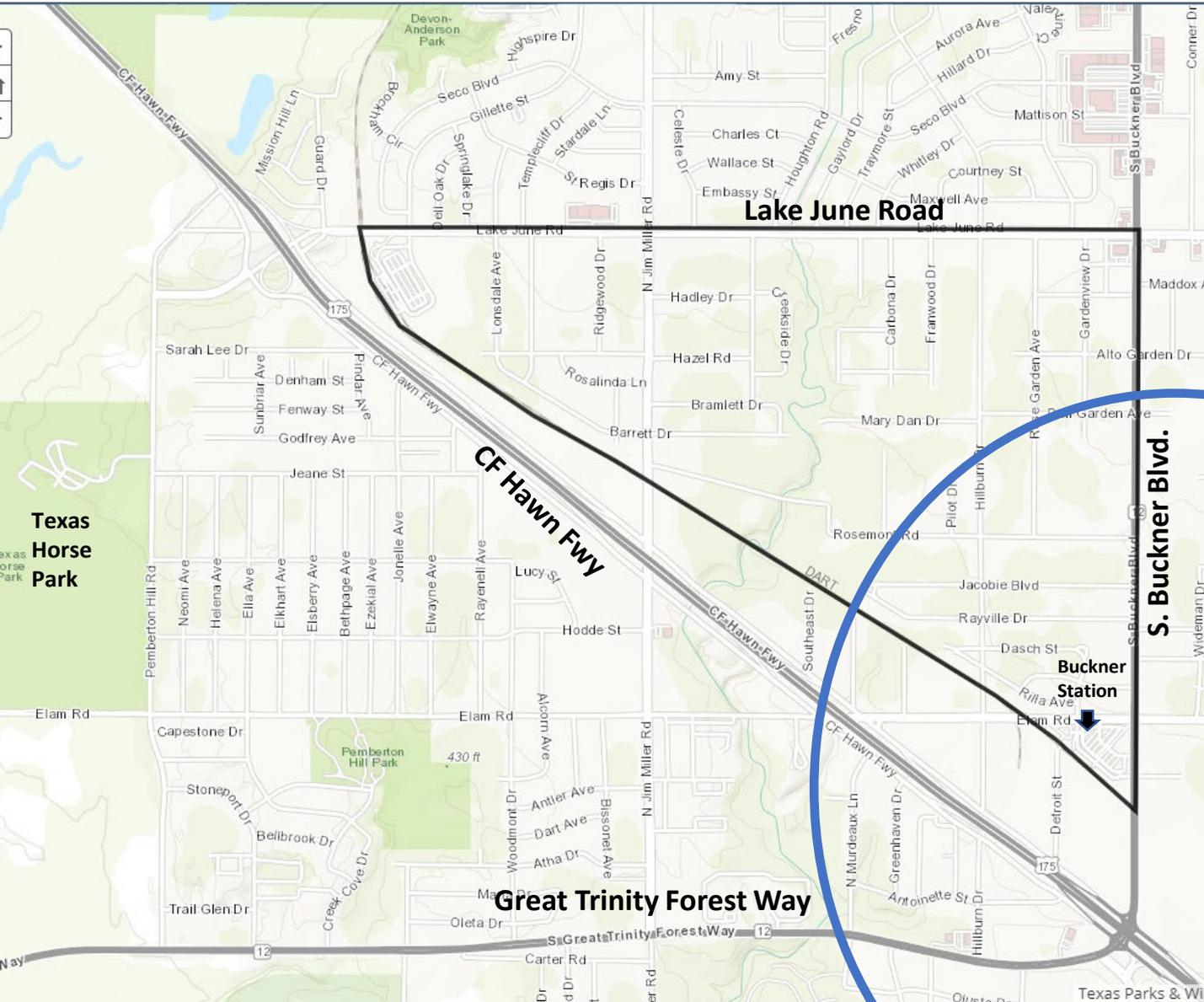
	A		F
	B		G
	C		H
	D		I
	E		NA



**Cluster #6:  
Buckner Station**

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# Bucker Station - Overview



**Council District 5**

**Census Tract 48113009301**

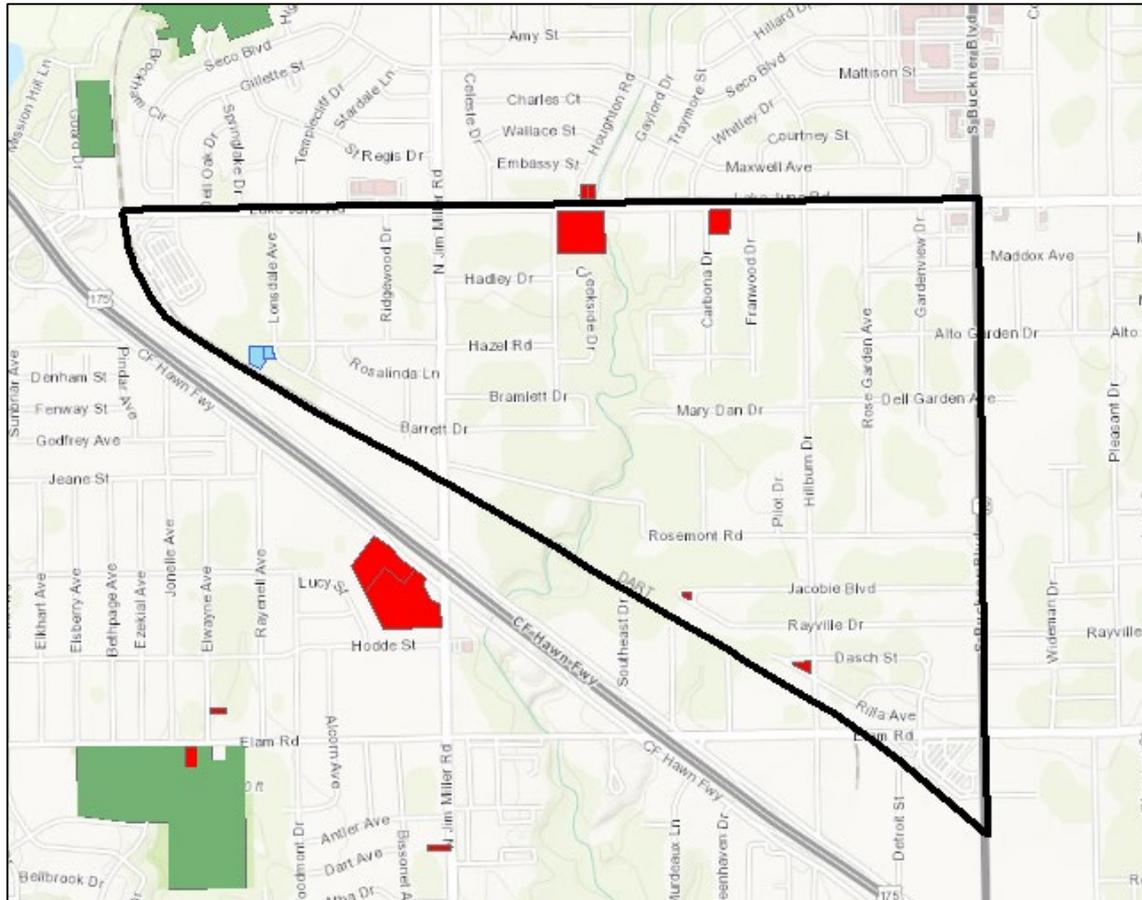
## Opportunities:

- The tract is NMTC and CDBG eligible.
- The southeast portion of the tract is located in a **Housing Emerging Market Area**

## Challenges:

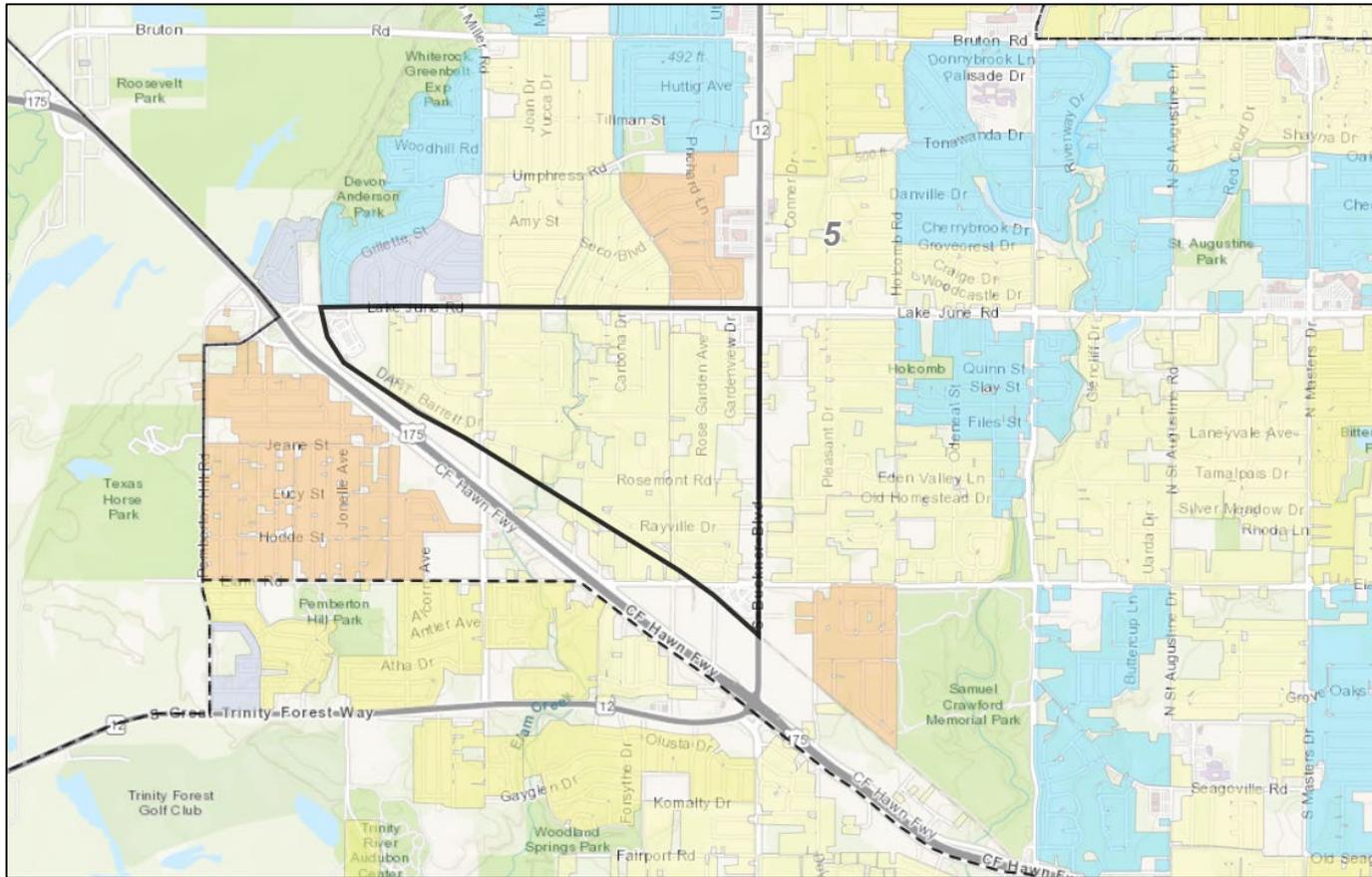
- Per Market Value Analysis, all residential properties in the zone are Category H. However, nearby pockets of E and F markets may indicate strength.

# Opportunity Zone – Buckner Station



-  City-owned property – Trinity Watershed
-  City-owned property – Park & Recreation
-  City-owned property – all other departments

# Buckner Station - MVA



MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA



BUCKNER TERRACE  
EST. 1965

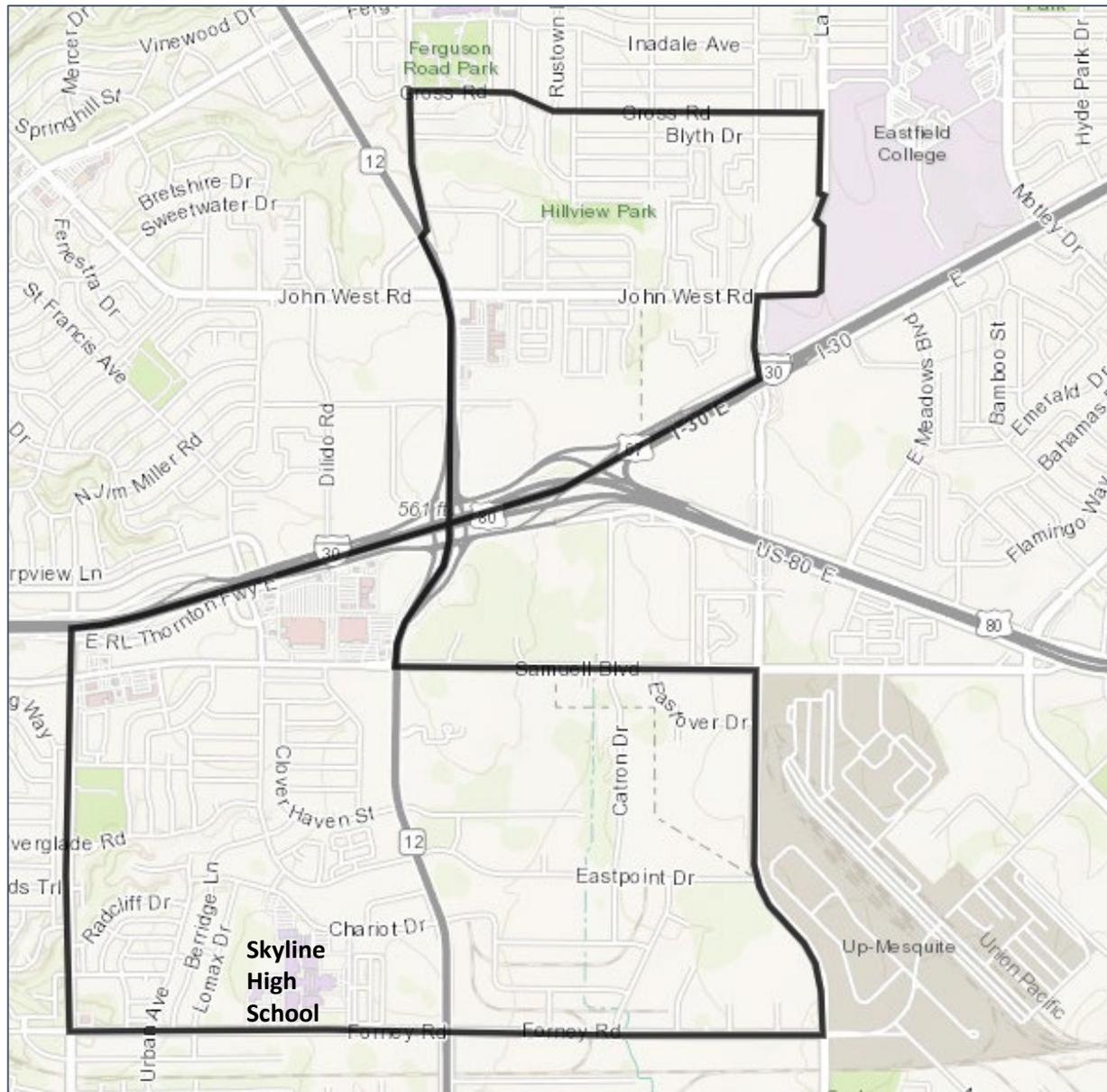
EAST DALLAS

Chariot Dr  
7900

RO... Rd

Cluster #7: Buckner/I-30

# Bucker/I-30 - Overview



**Council District 7** (also includes small portions of Mesquite on the eastern edge)

**Census Tracts 48113012302 and 48113012207**

### Opportunities:

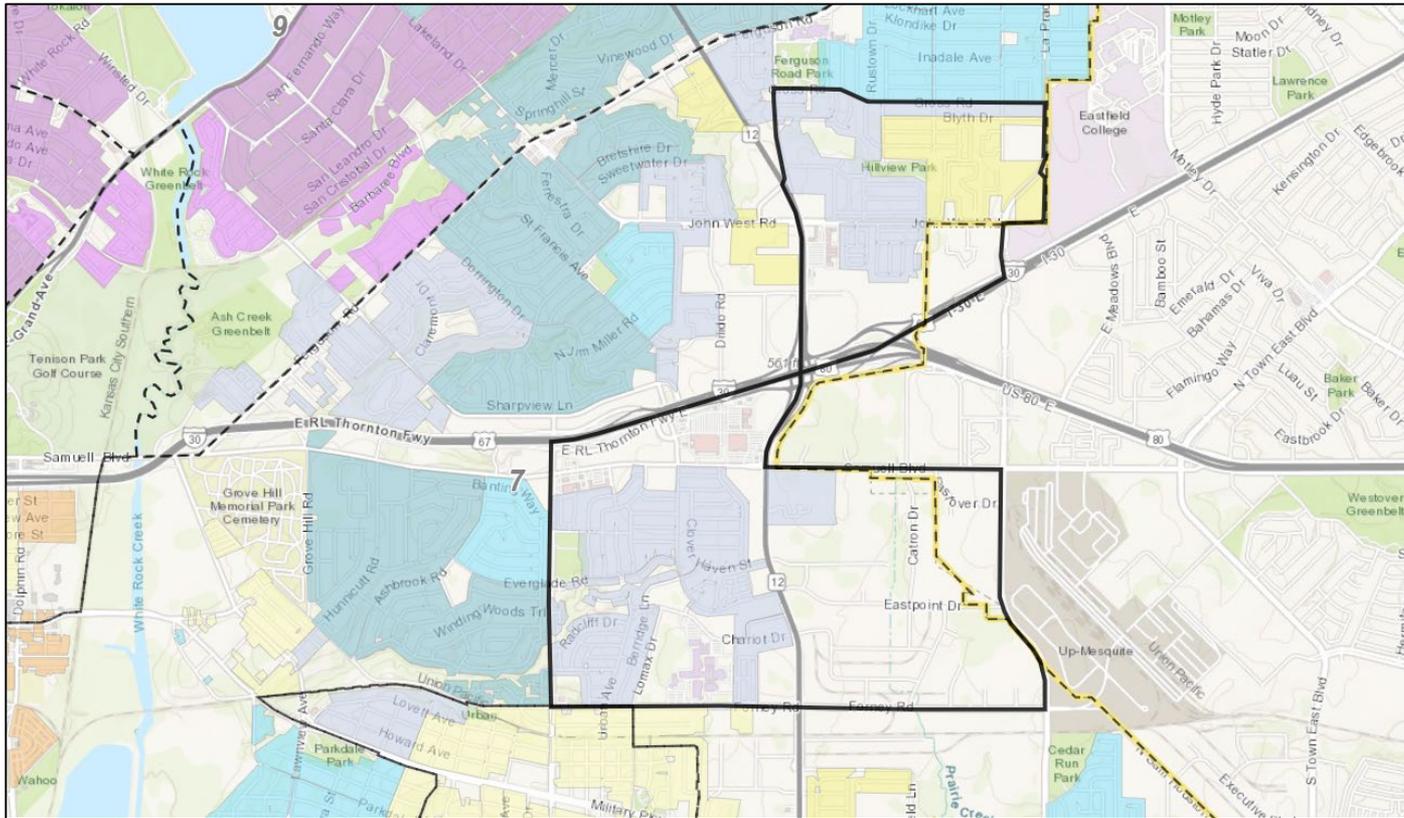
- The tracts are NMTC eligible and partially CDBG eligible.

### Challenges:

- The northern tract is a RECAP area.



# Buckner/I-30 - MVA



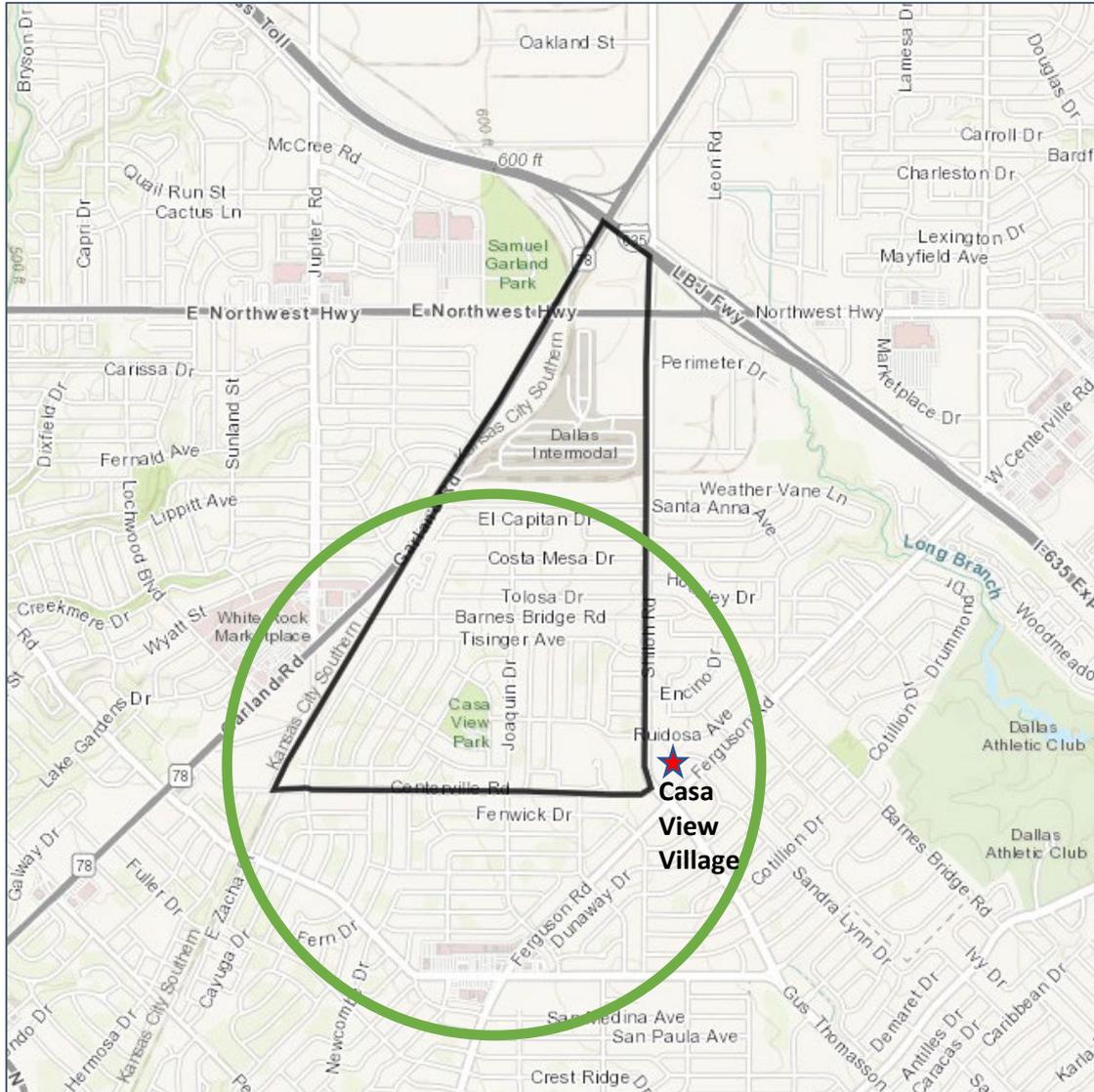
MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA



## Cluster #8: Garland Road

# Garland Road - Overview



**Council District 9**

**Census Tract 48113012701**

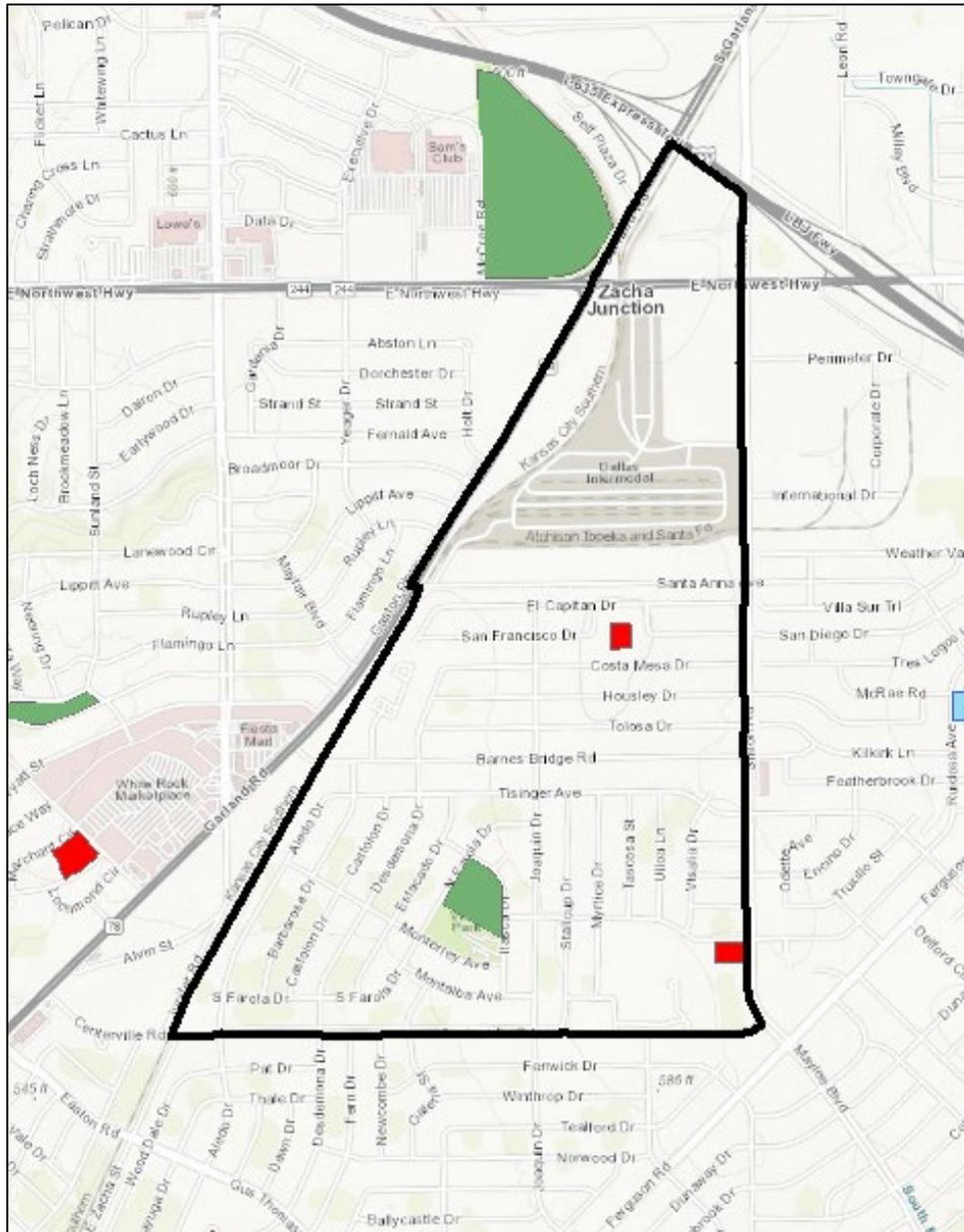
## Opportunities:

- The tract is NMTC and CDBG eligible.
- Southern half of the zone is in a **Housing Stabilization Area**
- Nearby redevelopment of Casa View Village shopping center

## Challenges:

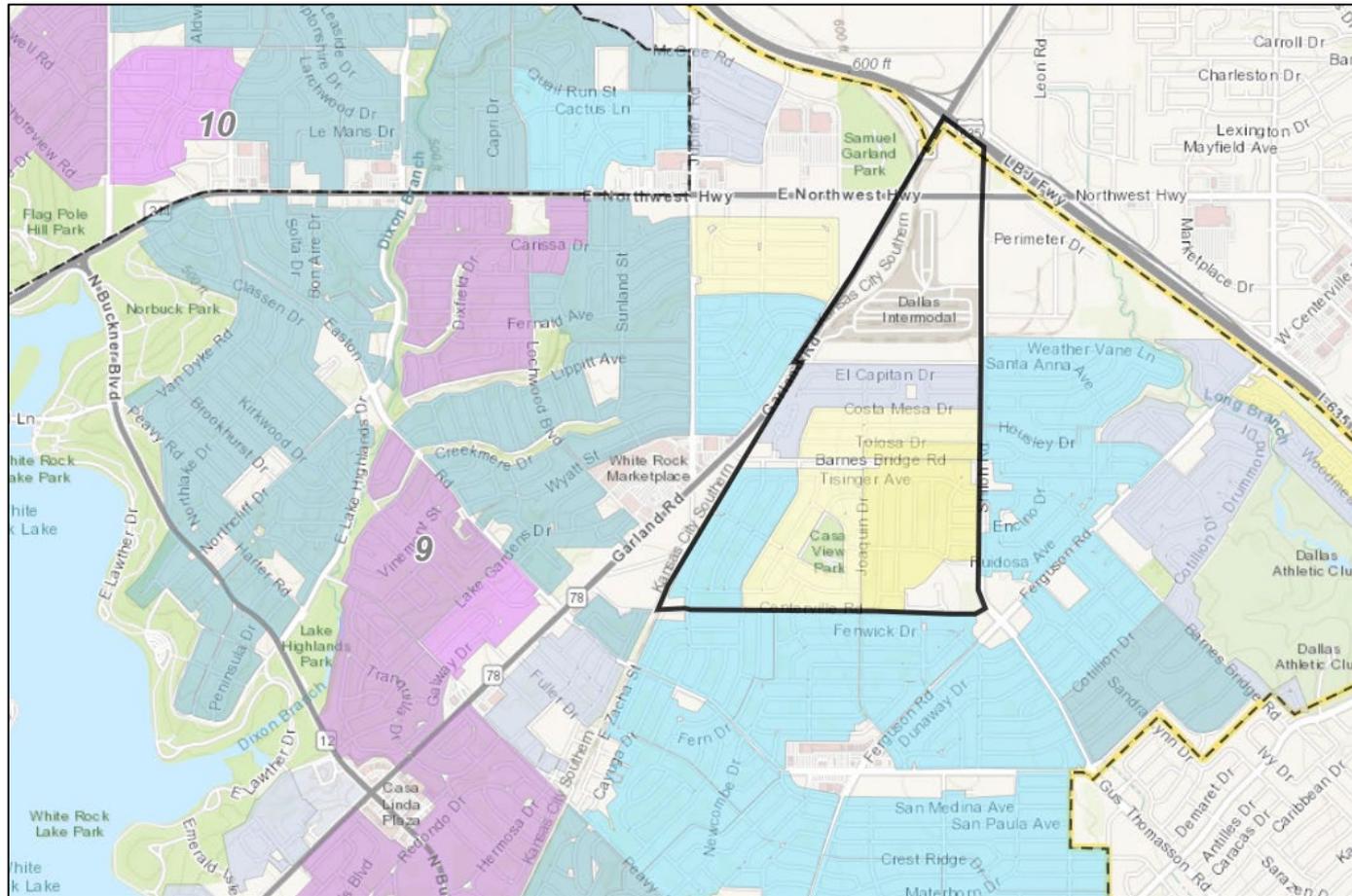
- The zone is categorized under the MVA as including E, F, G, and H residential properties. West of the zone is predominantly F, and east of the zone is predominantly C and D, which could indicate market strength.

# Garland Road – City Owned Property

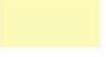


-  City-owned property – Park & Recreation
-  City-owned property – all other departments

# Garland Road- MVA



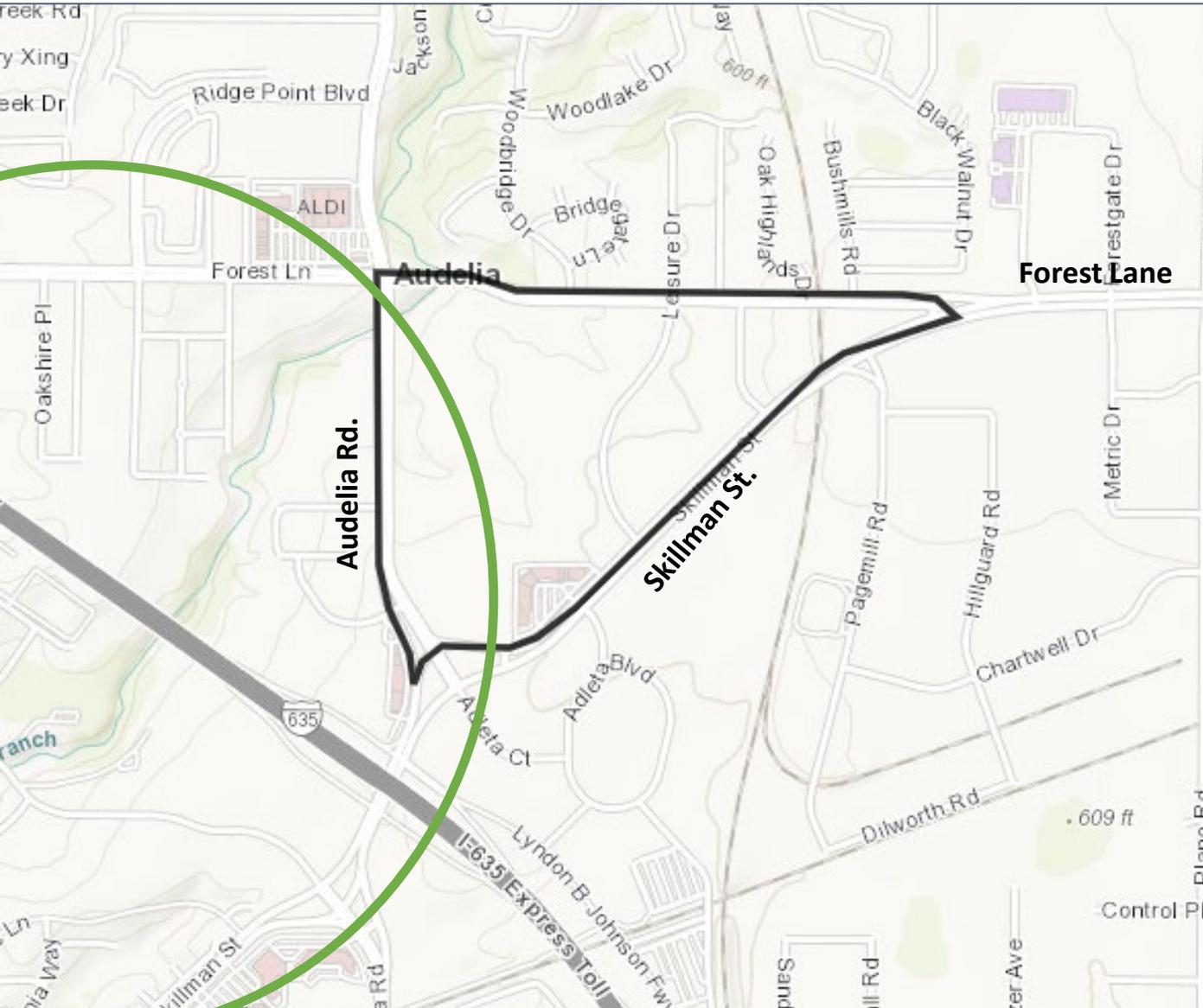
MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA



**Cluster #9:  
Forest/Audelia**

# Forest & Audelia - Overview



**Council District 10**

**Census Tract 48113018505**

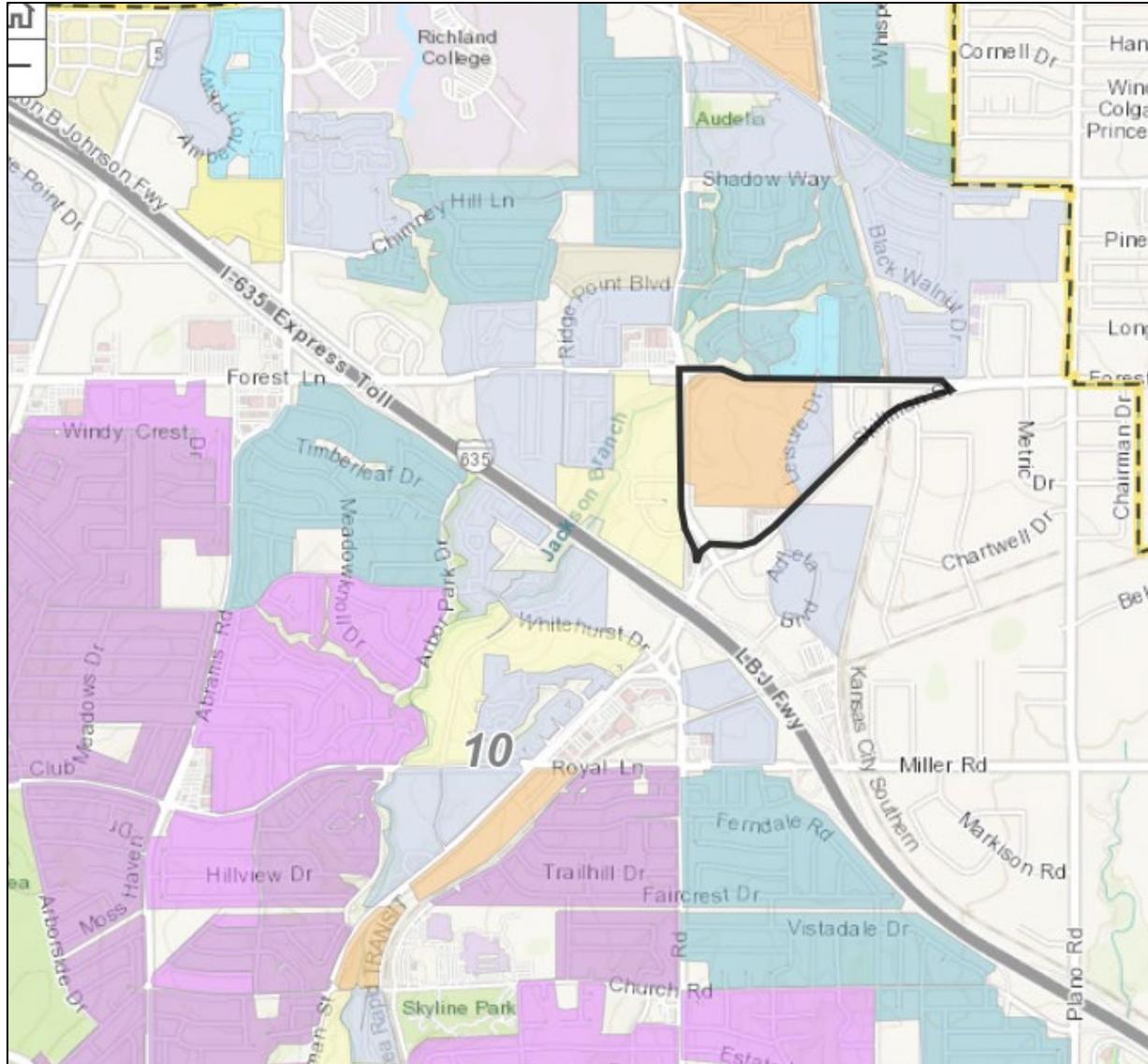
## Opportunities:

- The tract is NMTC eligible and partially CDBG eligible.
- Eastern edge of the zone is in a Housing Policy Stabilization Area.

## Challenges:

- Residences in the zone are MVA category I, the most stressed classification. Surrounding residential is predominantly D, E, and F, signaling potential future market strength.
- No city-owned properties in the zone.

# Garland Road- MVA



MVA Legend

	A		F
	B		G
	C		H
	D		I
	E		NA

# Federal Regulations

The IRS announced the first tranche of proposed regulations in October 2018. Public comments were due by the end of December. An IRS public hearing was held on February 14 to discuss the comments.

Commenters generally agreed that Opportunity Fund investments are on hold due to confusion regarding implementation of the proposed regulations.

A second tranche of regulations was submitted by the IRS to the White House Office of Management and Budget on March 12. Once the OMB completes its review, the regulations will be published in the Federal Register.

# State Policies

**MISSISSIPPI:** Commits 12.5% of state's LIHTC authority to applicants in Opportunity Zones for the next four years. (Proposed)

**MARYLAND:** Creates a state affordable housing tax credit for designated areas of the state including Opportunity Zones. (Proposed)

**MISSOURI:** Reserves \$30 million of the state's Historic Preservation Tax Credits allocation for projects in Opportunity Zones. (Enacted)

**NEBRASKA:** Gives priority to Opportunity Zones in allocation of state affordable housing funds. (Proposed)

**MICHIGAN:** Amends LIHTC Qualified Allocation Plan to add Opportunity Zones into points system. (Proposed)

**WEST VIRGINIA:** New Opportunity Zone businesses exempted from corporate net income tax and personal income tax for 10 years. (Enacted)

# Texas Bills

Texas's favorable tax climate is already in general alignment with the program. However, opportunities exist to align OZ policies with the LIHTC QAP, the state historic tax credit program, state economic development incentives, and other state programs and policies.

Pending Texas Bills (as of March 29):

- ❑ HB 2397 (Clardy) – Creates a franchise tax credit and a sales tax refund for certain Opportunity Zone investments.
- ❑ SB 826 (Hancock)/ HB 1000 (Paddie) – Creates a 25% tax credit against state insurance for eligible contributions to an Opportunity Fund that invests in rural areas.
- ❑ SB 1841 (Hinojosa) – Adds residents of Opportunity Zones to the list of individuals eligible for new jobs created under the Enterprise Zone program. Existing categories are residents of enterprise zones, economically disadvantaged individuals, and veterans.

# Role of Local Government

- Unlike other federal programs such as New Markets Tax Credits or Low Income Housing Tax Credits, local governments do not have control of or approval rights over Opportunity Fund investments.
- There are no reporting requirements in the federal regulations, so there is no way to track Opportunity Fund investments in our community.
- Therefore, the city may have no awareness of or influence on an Opportunity Fund project unless the development is also seeking local incentives, zoning changes, etc.

# Role of Local Government

Local roles may include:

1. Marketing the zones to attract investors.
2. Convening meetings between Opportunity Funds and property owners in Opportunity Zones.
3. Mitigation of any negative impacts of investment in low income areas and protection of existing low income residents.

# Next Steps

1. Develop a marketing plan. Staff is working with national experts and local partners to develop an opportunity zones prospectus.
2. Continue to reach out to Opportunity Funds focusing on Texas investments, and facilitate meetings where appropriate.
3. Stay abreast of developing federal regulations and any state bills related to the program.
4. Incorporate Opportunity Zones into new departmental policies as part of the Economic Development Strategic Plan process.

# Dallas Opportunity Zones Briefing

## Economic Development and Housing Committee

April 1, 2019

Robin Bentley, Assistant Director  
Office of Economic Development  
City of Dallas



# Memorandum



DATE March 29, 2019

TO The Honorable 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 **Dallas Homebuyer Assistance Program**

On Monday, April 1, 2019, you will be briefed on the Dallas Homebuyer Assistance Program proposed changes. The briefing materials are attached for your review.

## Summary

Housing and Neighborhood Revitalization (Housing) is proposing changes to the existing Dallas Homebuyer Assistance Program (DHAP), based on program performance since it was last changed in Fall 2017.

## Background

The DHAP is designed to assist low- to moderate-income homebuyers with down payment, principal buy down and closing cost assistance for homes purchased in the City of Dallas. Eligible homebuyers' gross income must be between 60% and 80% of the Area Median Family Income (AMFI), adjusted for family size. DHAP participation is limited to the following:

- U.S. citizens and permanent residents purchasing a home as their primary residence,
- Completion of 8 hours of homebuyer education
- Satisfactory employment history for the past six months
- Lender's minimum requirements must be met
- Savings cannot exceed \$10,000 plus two month's gross income after closing
- Qualify for a conventional, FHA, or portfolio mortgage loan from a participating DHAP lender

## Issue

While the overall structure of the program is working, there are some operational changes recommended to optimize program performance and ensure the goals of the Comprehensive Housing Policy are being met. Under the current program, loans can exceed \$100,000 increasing the purchasing power of homebuyers, but not addressing sustainability concerns. As property taxes, insurance and maintenance costs rise, there is no consideration given to how the homebuyer will afford to keep the house long-term. The purpose of offering high value DHAP loans

was to address fair housing concerns and encourage homebuyers to purchase in high opportunity areas, however there was no explicit incentive described in the program and based on the households served, DHAP is not achieving this goal. It also became apparent that a loan to value requirement is necessary to ensure lenders are fully invested in the purchase of DHAP-assisted homes. Under current program rules DHAP can exceed the homebuyer's primary mortgage placing the City's investment at greater risk. Lastly, DHAP does not address occupancy standards which help ensure homebuyers are purchasing appropriately sized homes.

### Fiscal Impact

The program is funded with HOME and CDBG dollars. Changes to the program guidelines have no financial impact.

### Proposed Changes

Housing staff recommend the following changes to address program concerns:

- Establish loan to value ratios with incentives included for high opportunity areas— 60% in high opportunity areas, 80% in the rest of the City.
- Establish assistance caps—\$60,000 in high opportunity areas, \$40,000 in the rest of the City.
- Existing front-end ratio could use additional flexibility to streamline the underwriting process—26-32%, the back-end ratio would remain at 43%.
- Establish property occupancy standards to ensure homes are appropriately sized for buyers—minimum: 2 persons per bedroom, 1 bedroom for single member households, maximum: minimum plus 1 bedroom. If the buyer purchases in excess of need required loan to value increases by 10%.
- Loan rates and terms—forgivable deferred loans with partial repayment triggers if residency or ownership transfer during the affordability period.

### Staff Recommendation

Staff recommends that the Economic Development and Housing Committee approve the DHAP proposed changes. With Committee approval, the item will be placed on the City Council agenda for April 24, 2019.

Should you have any questions, please contact me at (214) 670-3619.



David Noguera, Director  
Housing and Neighborhood Revitalization

c: Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
Biliera 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  
Laila Alequresh, Chief Innovation Officer  
Directors and Assistant Directors

# Dallas Homebuyer Assistance Program Update

**Economic Development &  
Housing Committee  
April 1, 2019**

**David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas**



# Presentation Overview

- Background
- Budget and Operational Impact
- Issues
- Fiscal Impact
- Recommendations
- Next Steps



# Background

- The Dallas Homebuyer Assistance Program (DHAP) is designed to assist low- to moderate-income homebuyers with down payment, principal buy down and closing cost assistance.
- Purchased property must be in the City of Dallas
- Eligible homebuyers' gross income must be between 60% and 80% of the Area Median Family Income (AMFI), adjusted for family size
- Eligible homebuyers must:
  - Be a U.S. citizen or permanent resident
  - Complete 8 hours of homebuyer education
  - Occupy the home as a primary residence
- The sales price of the home may not exceed \$241,000 for new construction and \$212,000 for existing structure/home



# Background (cont.)

## Homebuyer:

- Must have satisfactory employment history for the past six months
- Lender's minimum requirements must be met
- Savings--no more than \$10,000 plus two month's gross income after closing
- Qualify for a conventional, FHA, or portfolio mortgage loan from a participating DHAP lender
- No cash back at closing

## Mortgage Qualification:

- No adjustable rate mortgages
- Mortgage to income ratio no less than 28% and no more than 30%
- Debt Ratio not to exceed 43% at loan approval

# Budget & Operational Impact

Fiscal Year 2017-2018	Numbers
Total Applicants	230
Total Households Served	42
Withdrawn/Expired/Denied	188

Fiscal Year 2018-2019	Numbers
Total Applicants	45
Total Households Served	14
Withdrawn/Expired/Denied	31
To be Submitted	2

Fiscal Year 2017-2018	Budget
CDBG	\$1,320,341.50
HOME	\$451,952.50
TOTAL	\$1,772,294

Fiscal Year 2017-2018	Budget
CDBG	\$562,015.72
HOME	\$147,147.28
TOTAL	\$709,163

# Budget and Operational Impact cont.

Fiscal Year 2018-2019		
Assistance by Council District	No. of Households Served	Total Amount of Assistance
Council District 1	11	\$ 704,271.00
Council District 2	3	\$ 100,741.00
Council District 3	2	\$ 154,445.00
Council District 4	5	\$ 132,464.00
Council District 5	1	\$ 17,000.00
Council District 6	2	\$ 104,300.00
Council District 7	7	\$ 239,045.00
Council District 8	11	\$ 320,028.00
Council District 9	0	\$ -
Council District 10	0	\$ -
Council District 11	0	\$ -
Council District 12	0	\$ -
Council District 13	0	\$ -
Council District 14	0	\$ -
	<b>42</b>	<b>\$ 1,772,294.00</b>

Fiscal Year 2019-2020		
Assistance by Council District	No. of Households Served	Total Amount of Assistance
Council District 1	3	\$ 162,641.00
Council District 2	1	\$ 39,750.00
Council District 3	0	\$ -
Council District 4	0	\$ -
Council District 5	0	\$ -
Council District 6	1	\$ 41,000.00
Council District 7	5	\$ 201,088.00
Council District 8	4	\$ 264,684.00
Council District 9	0	\$ -
Council District 10	0	\$ -
Council District 11	0	\$ -
Council District 12	0	\$ -
Council District 13	0	\$ -
Council District 14	0	\$ -
	<b>14</b>	<b>\$ 709,163.00</b>

# Issues

- No cap on assistance, loans can exceed \$100,000.
- No property occupancy standard.
- DHAP does not have a loan to value requirement.
  - DHAP loans can exceed the Primary Mortgage.
  - Rising property taxes, insurance and maintenance costs impact homeownership sustainability.
- No incentive to purchase in high opportunity areas, most purchases are in high poverty areas.

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# Fiscal Impact

DHAP is funded with federal entitlement grants

- Community Development Block Grant
- HOME Investment Partnerships Program

The proposed changes will have no fiscal impact.

# Recommendations

- Establish loan to value ratios:
  - High Opportunity Areas: 60%
  - Non-high Opportunity Areas: 80%
- Assistance determined by underwriting criteria:
  - Front end ratio of 26-32%
  - Back end ratio of 43%
- Establish property occupancy standards to ensure homes are appropriately sized for buyers.
  - Minimum: 2 persons per bedroom, 1 bedroom for single member households.
  - Maximum: Minimum plus 1 bedroom. If the buyer purchases in excess of need required LTV increases 10%.

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# Recommendations (cont.)

- Establish assistance caps
  - High Opportunity Areas: \$60,000
  - Non-high opportunity areas: \$40,000
- Loan Rates and Terms: Forgivable deferred loans with partial repayment triggers if residency or ownership transfer during loan term.



# Next Steps

- Council Approval April 24, 2019
- Implementation June 1, 2019



# Dallas Homebuyer Assistance Program Update

**Economic Development &  
Housing Committee  
April 1, 2019**

**David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas**



# Memorandum



CITY OF DALLAS

DATE March 29, 2019

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 **Dallas Housing Rehabilitation Program Overview**

On Monday, April 1, 2019, the Economic Development and Housing Committee will be briefed on proposed changes to the comprehensive housing policy related to the Home Improvement and Preservation Program (HIPP).

## **Summary**

On May 9, 2018, via Resolution 180704, the Dallas City Council adopted a comprehensive housing policy (Policy). The Policy created or amended program statements for the Dallas Homebuyer Assistance Program, the Home Improvement and Preservation Program and the New Development and Substantial Rehabilitation Program and set forth underwriting standards for reviewing both homeowner and rental housing development project proposals. These program statements contain detailed information related to applicant eligibility, terms of assistance, and credit standards, among other items.

On November 28, 2019, the Dallas City Council adopted amendments to the Policy that resolved inconsistencies in program requirements, corrected items that were inadvertently included in or omitted from the Policy and modified requirements that had created programmatic constraints.

This memorandum serves to provide an overview of the proposed changes to the comprehensive housing policy related to the Home Improvement and Preservation Program (HIPP).

## **Background**

As it is currently designed, the HIPP provides an all-inclusive repair and rehabilitation program for single-family owner-occupied housing units and single family (1-4) rental units. Under HIPP, homeowners with incomes up to 120% of AMFI may apply for a loan to finance home improvements that address health, safety, accessibility modification, reconstruction and structural/deferred maintenance deficiencies. The terms of assistance for homeowners vary between a deferred 0% interest loan for the lowest-income eligible homeowners, to a 3% interest loan with monthly payments for the highest income eligible homeowners. Landlords who participate in the program may also apply for a loan and, after the repairs are completed, must lease the unit to a household with an annual gross income at or below eighty percent (80%) of the Area Median Family Income (AMFI) during the term of

affordability. The terms of assistance for the eligible landlords are a 3% interest loan with monthly repayments.

***Proposed Terms of the Minor Home Repair Grant Program***

- Grant assistance of up to \$10,000 (city contributes \$5,000)
- Partner with non-profit providers to conduct rehabilitation work
- Partners are required to provide 1:1 match of funds
- Repair health and safety hazards
- Accessibility repairs for disabled

**Proposed Terms of the Home Improvement and Preservation Program**

- Loan of up to \$40,000
- 85% loan to value; 80% loan to assessed building value
- Loan funds used for construction and soft costs
- Adoption of “eligible improvements” list

**Proposed Terms of Housing Reconstruction Program**

- Maximum loan of \$160,000
- 85% loan to value
- Loan funds used for construction and soft costs

**Issues**

If the Committee does not support the proposed changes to the HIPP, the department will continue to operate in accordance with the existing HIPP program statement. However, as discussed above, HIPP solved one problem by increasing the amount of assistance available, but it created others, including:

- **Lack of contractor participation:** Small contractors cannot afford to meet the insurance requirements, while large contractors are not interested in the low volume;
- **Rehabilitation caps:** Assistance provided has no relationship to value of home
- **Loan to Value:** Current assistance creates potential for homeowners to end up upside-down in their homes as a result of participating in the program; and
- **Financing Flexibility:** Value of HIPP repairs requires assistance to be provided on a loan basis; no grant options.

**Fiscal**

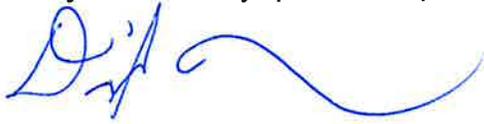
There is no cost consideration to the City. H&NR proposes to allocate \$1 million in CDBG funds to each of the following proposed programs: Minor Home Repair Grant Program and the Home Improvement and Preservation Program. H&NR proposes to allocate \$1 million in CDBG/HOME funds to the proposed Housing Reconstruction Program. Non-federal funds will be used to assist homeowners between 81%-120% of AMFI.

DATE March 29, 2019  
SUBJECT Dallas Housing Rehabilitation Overview

**Staff Recommendation**

The Housing and Neighborhood Revitalization Department recommends that the Committee forward the proposed changes to the full City Council for approval.

Should you have any questions, please contact me at (214) 670-3619.



David Noguera  
Director  
Housing and Neighborhood Revitalization

- c: Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
Biliera Johnson, City Secretary  
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Laila Aleqresh, Chief Innovation Officer  
Directors and Assistant Directors

# Department of Housing & Neighborhood Revitalization

## Dallas Housing Rehabilitation Program Overview April 1, 2019

David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas



# Presentation Overview

- Background/History
- Issues
- Proposed Program Changes
- Fiscal Impact
- Next Steps



# Background/History

- Dallas adopted the Comprehensive Housing Policy in May 2018 which created the Home Improvement and Preservation Program (HIPP).
- HIPP was intended to address minor and major repairs as well as full reconstruction.
- Community input combined with operational experience resulted in a re-evaluation of HIPP to enhance the program's success.

# Issues

HIPP solved one problem by increasing the amount of assistance available per unit, but it created others including a lack of

- **Contractor Participation:** Small contractors cannot afford to meet the insurance requirements, while large contractors are not interested in the low volume.
- **Rehabilitation Caps:** Assistance provided has no relationship with value of home.
- **Financing Flexibility:** Value of HIPP repairs requires assistance to be provided on a loan basis, no grant options.

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# Proposed Program Changes

## Summary of Housing Rehabilitation Programs:

Minor Home Repair Grant Program (NEW)	Home Improvement and Preservation Program	Housing Reconstruction Program
\$1,000,000 CDBG	CDBG	HOME/CDBG
Grant assistance of up to \$10,000 (\$5,000 City portion)	Loan of up to \$40,000	Maximum loan of \$160,000
Partner w/non-profit providers to conduct rehab work	85% Loan to Value 80% Loan to Assessed Building Value	85% Loan to Value
Partners required to provide 1:1 match of funds	Loan funds used for construction and soft costs	Loan funds used for construction and soft costs
Repair health and safety hazards and accessibility repairs for disabled	Adoption of Eligible Improvements List	Loan to assessed building value

# Proposed Program Changes (cont.)

The Minor Home Repair Grant Program represents a new program designed to:

- Assist in repair or elimination of health and safety hazards and accessibility modifications for elderly and disabled
- City will budget \$1 Million/year in CDBG funds for program
- Grant assistance of up to \$5,000, with 1:1 matching grant provided by non-profit partner (up to \$10,000 total)

# Proposed Program Changes (cont.)

## Property Eligibility:

- Must be single-family (1 unit) within the City of Dallas City Limits

## Applicant Eligibility:

- Must be the owner of the property to be rehabilitated
- Must have household income at or below 80% of AMI, adjusted for household size
- Priority provided to applicants who have not previously participated in Minor Home Repair or HIPP Program

# Proposed Program Changes (cont.)

## Program Administration - City

- City to conduct applicant intake to determine applicant and property eligibility and monitor for compliance
- Coordinate assignment of applicant to appropriate program.

## Program Implementation – Non-profit Partners

- City will utilize non-profit partners experienced in rehabilitation of housing to conduct rehabilitation
  - Provide an open program for non-profits partners to apply for funds throughout the year
  - Funding available on a rolling basis until program funds are exhausted

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# Proposed Program Changes (cont.)

## Other Elements of the Program :

- Divide City into “Service Areas” whereby non-profits partners provide services in assigned area of City;
- Incorporate M/WBE requirements for evaluating non-profits and contractors in coordination with the City Office of Business Diversity;

# Proposed Program Changes (cont.)

The Minor Home Repair Grant Program provides for repairs such as:

- Roofing (patching leaky roofs);
- Entry Doors and Windows;
- Heating and Cooling Systems;
- Plumbing and Gas System;
- Electrical;
- Accessibility Repairs (ramps, handrails, walkway repairs); and
- Other items approved by the screening committee.

# Proposed Program Changes (cont.)

Changes proposed for the Home Improvement and Preservation Program (single family and rental) are summarized as follows:

	Existing	Recommended
Maximum Assistance	Loan of up to 47.5% of the HUD HOME Value Limits	Loan of up to \$40,000
Loan to Value	No LTV Standard	85%
Loan to Assessed Building Value	No Prior Standard	80%

# Proposed Program Changes (cont.)

Changes proposed for the Home Improvement and Preservation Program (HIPP) are as follows:

	Existing	Recommended
<b>Limitation on use of Loan Funds</b>	Not previously addressed	Construction Costs only
<b>Project Soft Costs</b>		Covered by delivery costs
<b>Re-Application Priority</b>		Priority to applicants that have not previously participated in HIPP or Minor Repair

# Proposed Program Changes (cont.)

Examples of eligible repairs under HIPP:

- Correction of code violations and health and safety items
- Incipient Building Code violations
- Cost effective energy conservation
- Testing/treatment of lead based paint/asbestos
- Handicapped improvements and removal of barriers to handicapped
- Roofing
- Plumbing, Mechanical, Electrical
- Windows and Insulation
- Foundation and structural repairs (limited)

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# Proposed Program Changes (cont.)

Changes proposed for the Housing Reconstruction Program are summarized as follows:

	Existing	Recommended
<b>Maximum Assistance</b>	Loan of up to 75% of the HUD HOME Value Limits for New Construction	Loan of up to \$160,000
<b>Loan to Value</b>	No LTV Standard	85%
<b>Limitation on use of Loan Funds</b>	Not previously addressed	Construction Costs only

# Proposed Program Changes (cont.)

Changes proposed for the Housing Reconstruction Program are summarized as follows:

	Existing	Recommended
Project Soft Costs	Not previously addressed	Covered by delivery costs
Re-application Priority	Not previously addressed	One lifetime loan per property

# Fiscal Impact

- No fiscal impacts will result from the adoption of the proposed changes.

# Next Steps

- April 24, 2019 – Present to Council
- 90-day preparation period for implementation
- August 1, 2019 – Implementation Target Date

# Department of Housing & Neighborhood Revitalization

## Dallas Housing Rehabilitation Program Overview April 1, 2019

David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas

