

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, DECEMBER 4, 2023

23-0013

ECONOMIC DEVELOPMENT COMMITTEE
CITY COUNCIL CHAMBER, CITY HALL/VIDEO CONFERENCE
MAYOR PRO TEM TENNELL ATKINS, PRESIDING

PRESENT: [7] Atkins, Narvaez (**1:10 p.m.), West, Arnold, Bazaldua (**2:06 p.m.),
Stewart, Ridley

ABSENT: [0]

The meeting was called to order at 1:01 p.m. with a quorum of the committee present.

The meeting agenda, posted in accordance with Chapter 551, "OPEN MEETINGS," of the Texas Government Code, was presented.

After all business properly brought before the committee had been considered, the meeting adjourned at 2:59 p.m.

Chair

ATTEST:

City Secretary Staff

Date Approved

The agenda is attached to the minutes of this meeting as EXHIBIT A.

The actions taken on each matter considered by the committee are attached to the minutes of this meeting as EXHIBIT B.

The briefing materials are attached to the minutes of this meeting as EXHIBIT C.

***Note: Members of the Committee participated in this meeting by video conference.**

**** Note: Indicates arrival time after meeting called to order/reconvened.**

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, DECEMBER 4, 2023

EXHIBIT A

RECEIVED

2023 DEC -1AM11:22

**CITY SECRETARY
DALLAS, TEXAS**

City of Dallas

*1500 Marilla Street,
Council Chambers, 6th Floor
Dallas, Texas 75201*

Public Notice

23 1075

POSTED CITY SECRETARY
DALLAS, TX



Economic Development Committee

December 4, 2023

1:00 PM

2023 CITY COUNCIL APPOINTMENTS

COUNCIL COMMITTEE	
ECONOMIC DEVELOPMENT Atkins (C), Narvaez (VC), Arnold, Bazaldua, Ridley, Stewart, West	GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT West (C), Blackmon (VC), Mendelsohn, Moreno, Resendez
HOUSING AND HOMELESSNESS SOLUTIONS Moreno (C), Mendelsohn (VC), Gracey, West, Willis	PARKS, TRAILS, AND THE ENVIRONMENT Stewart (C), Moreno (VC), Arnold, Bazaldua, Blackmon, Narvaez, West
PUBLIC SAFETY Mendelsohn (C), Stewart (VC), Atkins, Moreno, Willis	QUALITY OF LIFE, ARTS, AND CULTURE Bazaldua (C), Resendez (VC), Blackmon, Gracey, Ridley, Schultz, Willis
TRANSPORTATION AND INFRASTRUCTURE Narvaez (C), Gracey (VC), Atkins, Mendelsohn, Resendez, Schultz, Stewart	WORKFORCE, EDUCATION, AND EQUITY Schultz (C), Arnold (VC), Bazaldua, Blackmon, Resendez, Ridley, Willis
AD HOC COMMITTEE ON ADMINISTRATIVE AFFAIRS Atkins (C), Mendelsohn, Moreno,	AD HOC COMMITTEE ON GENERAL INVESTIGATING AND ETHICS Mendelsohn (C), Gracey, Johnson, Schultz, Stewart
AD HOC COMMITTEE ON JUDICIAL NOMINATIONS Ridley (C), Resendez, West	AD HOC COMMITTEE ON LEGISLATIVE AFFAIRS Mendelsohn (C), Atkins, Gracey, Narvaez, Stewart
AD HOC COMMITTEE ON PENSIONS Atkins (C), Blackmon, Mendelsohn, Moreno, Resendez, Stewart, West, Willis	AD HOC COMMITTEE ON PROFESSIONAL SPORTS RECRUITMENT AND RETENTION Gracey (C), Blackmon, Johnson, Moreno, Narvaez, Resendez, Schultz

(C) – Chair, (VC) – Vice Chair

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

General Information

The Dallas Council Committees regularly meet on Mondays beginning at 9:00 a.m. and 1:00 p.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council Committee agenda meetings are broadcast live on bit.ly/cityofdallastv and on Time Warner City Cable Channel 16.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

Información General

Los Comités del Concejo de la Ciudad de Dallas se reúnen regularmente los lunes en la Cámara del consejo en el sexto piso del Ayuntamiento, 1500 Marilla, a partir de las 9:00 a.m. y la 1:00 p.m. Las reuniones de la agenda del Comité del Consejo se transmiten en vivo por la estación de bit.ly/cityofdallastv y por cablevisión en la estación *Time Warner City Cable Canal 16*.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

Handgun Prohibition Notice for Meetings 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."

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

"De conformidad con la Sección 46.03, Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."

The City Council Economic Development Committee meeting will be held by videoconference and in the Council Chambers, 6th Floor at City Hall.

The public may attend the meeting virtually; however, City Hall is available for those wishing to attend the meeting in person.

The following videoconference link is available to the public to listen to the meeting and Public Affairs and Outreach will also stream the Economic Development Committee on Spectrum Cable Channel 95 and [bit.ly/cityofdallas.tv](https://cityofdallas.tv):

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m9f86db2f05bd2bcaeb83e893ea194b98>

Call to Order

MINUTES

- A. [23-3199](#) Approval of the October 2, 2023 Economic Development Committee Meeting Minutes

Attachments: [Minutes](#)

- B. [23-3101](#) Approval of the November 6, 2023 Economic Development Committee Meeting Minutes

Attachments: [Minutes](#)

BRIEFING ITEMS

- C. [23-3102](#) Development Services Fee Updates
[Andrew Espinoza, Director/Chief Building Official, Development Services]

Attachments: [Presentation](#)

- D. [23-3103](#) Update on investment and affordable housing financing goals by the Dallas Housing Opportunity Fund, an affordable housing fund
[Robin Bentley, Director, Office of Economic Development]
[George Ashton, Managing Director, Local Initiatives Support Corporation Strategic Investments]

Attachments: [Presentation](#)

- E. [23-3163](#) Forward Dallas Update
[Andrea Gilles, Assistant Director, Planning and Urban Design]

Attachments: [Presentation](#)

BRIEFING MEMOS

- F. [23-3104](#) Discussion of Impact of Two-Four Unit Housing and Minimum Residential Lot Size Regulations on Housing Development Options
[Andrea Gilles, Director, Planning & Urban Design, Andreea Udrea, Assistant Director, Planning & Urban Design]

Attachments: [Memorandum](#)

UPCOMING AGENDA ITEMS

- G. [23-3105](#) Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Park South YMCA (2500 Romine Ave., 75215)
[Heather Lepaska, Assistant Director, Office of Economic Development]

Attachments: [Presentation](#)

ADJOURNMENT

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]

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, DECEMBER 4, 2023

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

Item A: Approval of the October 2, 2023 Economic Development Committee Meeting Minutes

Councilmember Ridley moved to adopt the minutes as presented.

Motion seconded by Councilmember West and unanimously adopted. (Narvaez, Bazaldua absent when vote taken)

Item B: Approval of the November 6, 2023 Economic Development Committee Meeting Minutes

Councilmember Ridley moved to adopt the minutes as presented.

Motion seconded by Councilmember West and unanimously adopted. (Narvaez, Bazaldua absent when vote taken)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

BRIEFING ITEMS

Item C: Development Services Fee Updates

The following individuals briefed the committee on the item:

- Andrew Espinoza, Director/Chief Building Official, Development Services;
- Vernon Young, Assistant Director, Development Services;
- Majed Al-Gahfry, Assistant City Manager, City Manager's Office; and
- Robert Perez, Assistant City Manager, City Manager's Office

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

BRIEFING ITEMS

Item D: Update on investment and affordable housing financing goals by the Dallas Housing Opportunity Fund, an affordable housing fund

The following individuals briefed the committee on the item:

- Robin Bentley, Director, Office of Economic Development;
- Ben Glispie, Director of Affordable Housing Originations, Local Initiative Support Corporation Strategic Investments; and
- Linda McMahon, President & CEO, The Real Estate Community Investors

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

BRIEFING ITEMS

Item E: Forward Dallas Update

The following individual briefed the committee on the item:

- Andrea Gilles, Assistant Director, Planning and Urban Design

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

BRIEFING MEMOS

Item F: Discussion of Impact of Two-Four Unit Housing and Minimum Residential Lot Size Regulations on Housing Development Options

The committee discussed the item.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

DECEMBER 4, 2023

UPCOMING AGENDA ITEMS

Item G: Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Park South YMCA (2500 Romine Ave., 75215)

The committee discussed the item.

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, DECEMBER 4, 2023

EXHIBIT C



City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 23-3102

Item #: C.

Development Services Fee Updates

[Andrew Espinoza, Director/Chief Building Official, Development Services]



City of Dallas

**MGT Consulting of America, LLC
Fee Study for Building Permit
Fees for the Development
Services Department**

**Economic Development
Committee
December 4, 2023**

Andrew Espinoza, Director/Chief
Building Official
Development Services
City of Dallas

Presentation Overview



- Background
- City Comparison
- Divisions
- Technology
- Study Findings
- Recommendations
- Next Steps



Fee Study Background



- Goal 1: Improve departmental customer satisfaction and engagement by 75% by FY 2022/2023.
- Goal 2: Respond to all customer correspondence within one business in FY 2022/2023.
- Goal 3: Reduce new construction/remodel residential permitting turnaround times by 50% in FY 2022/2023.
- Goal 4: Implement and deploy additional specialized services and teams to reduce commercial permitting times by 25% by FY2022/2023.
- Goal 5: Finalize Statement of Work (SOW) and launch Dallas Now Project in FY 2025/2026.



Fee Study Background



- DSD has not adjusted permitting fees since 2015
- Currently fees are in various Chapters of Building and Development Codes
- Contracted with MGT Consultants to perform DSD Fee Study
 - Completed in October of 2023
 - Building Inspections, Engineering, GIS, and Subdivision





• CITY FEE COMPARISON

MGT project team worked with City staff to identify peer cities for comparison purposes. The cities used in the final comparison of the study were:

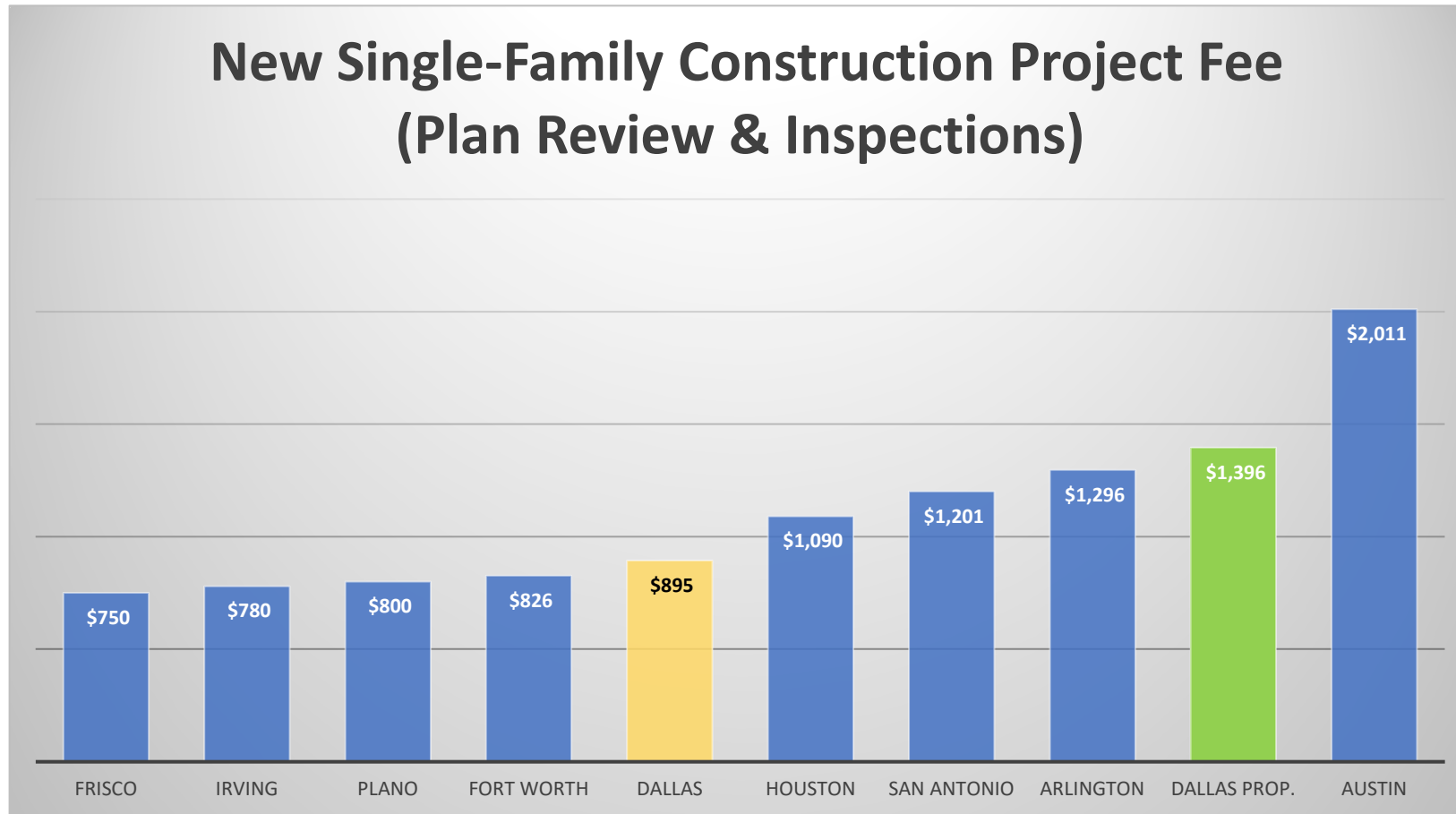
- City of Arlington, Texas
- City of Fort Worth, Texas
- City of Austin, Texas
- City of Frisco, Texas
- City of Houston, Texas
- City of Irving, Texas
- City of Plano, Texas
- City of San Antonio, Texas



NEW SINGLE-FAMILY CONSTRUCTION



Graph 1: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$175,000 Valuation; 1,500 Square Feet



Current Fee
Recommended Fee

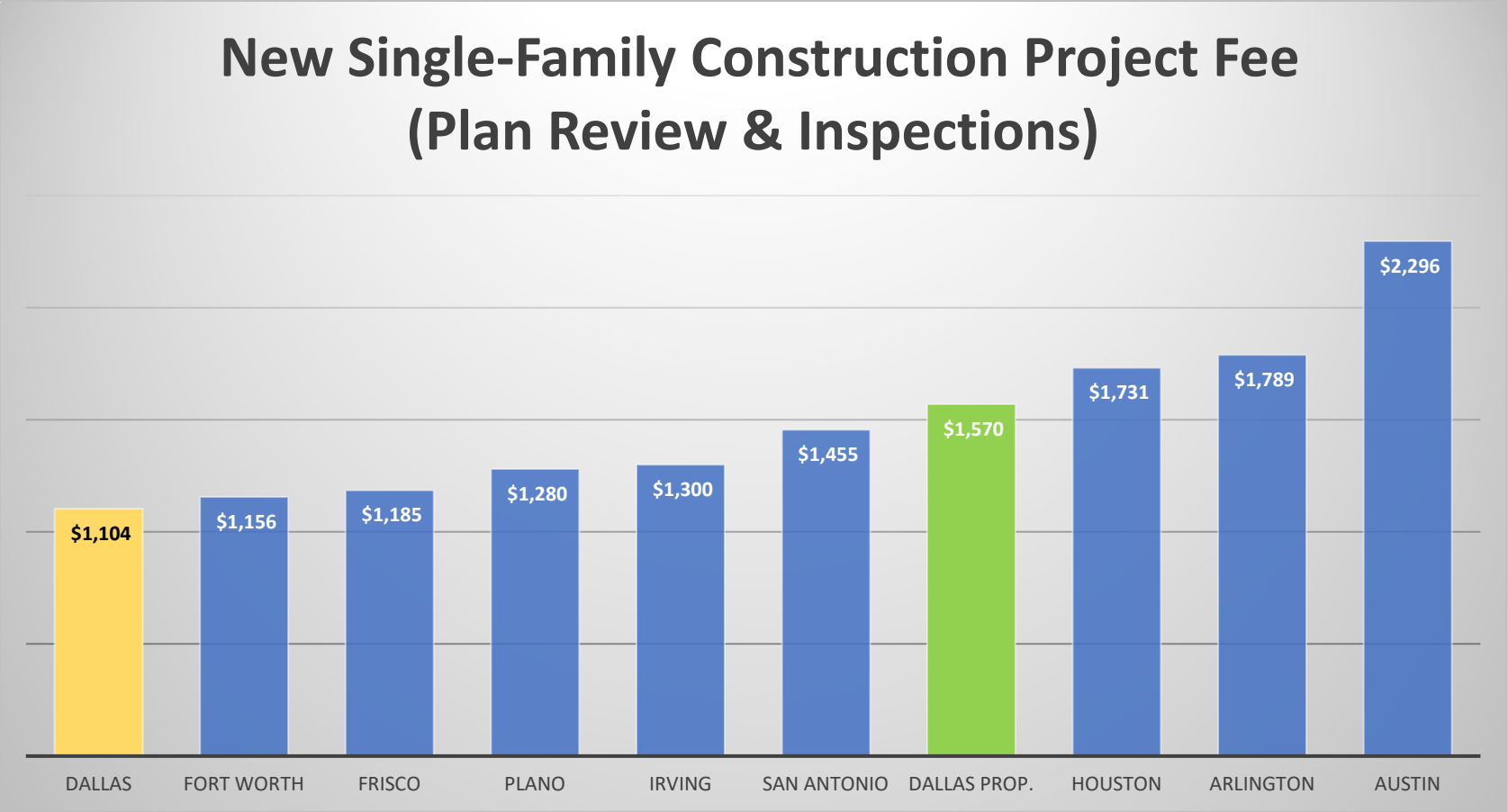
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



NEW SINGLE-FAMILY CONSTRUCTION



Graph 2: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$225,000 Valuation; 2,500 Square Feet



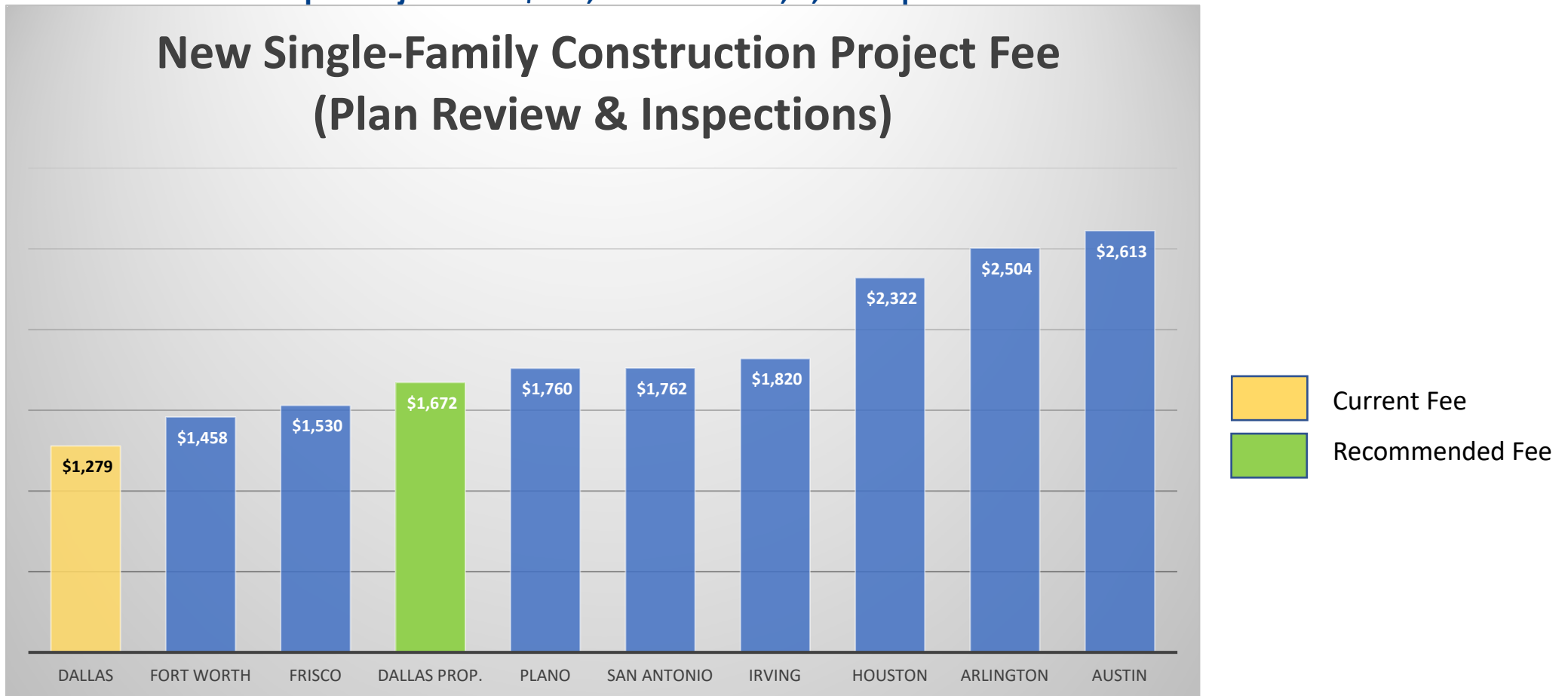
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



NEW SINGLE-FAMILY CONSTRUCTION



Graph 3: Fee Comparison:
SINGLE-FAMILY CONSTRUCTION PROJECT
Example Project Size: \$375,000 Valuation; 3,500 Square Feet



Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



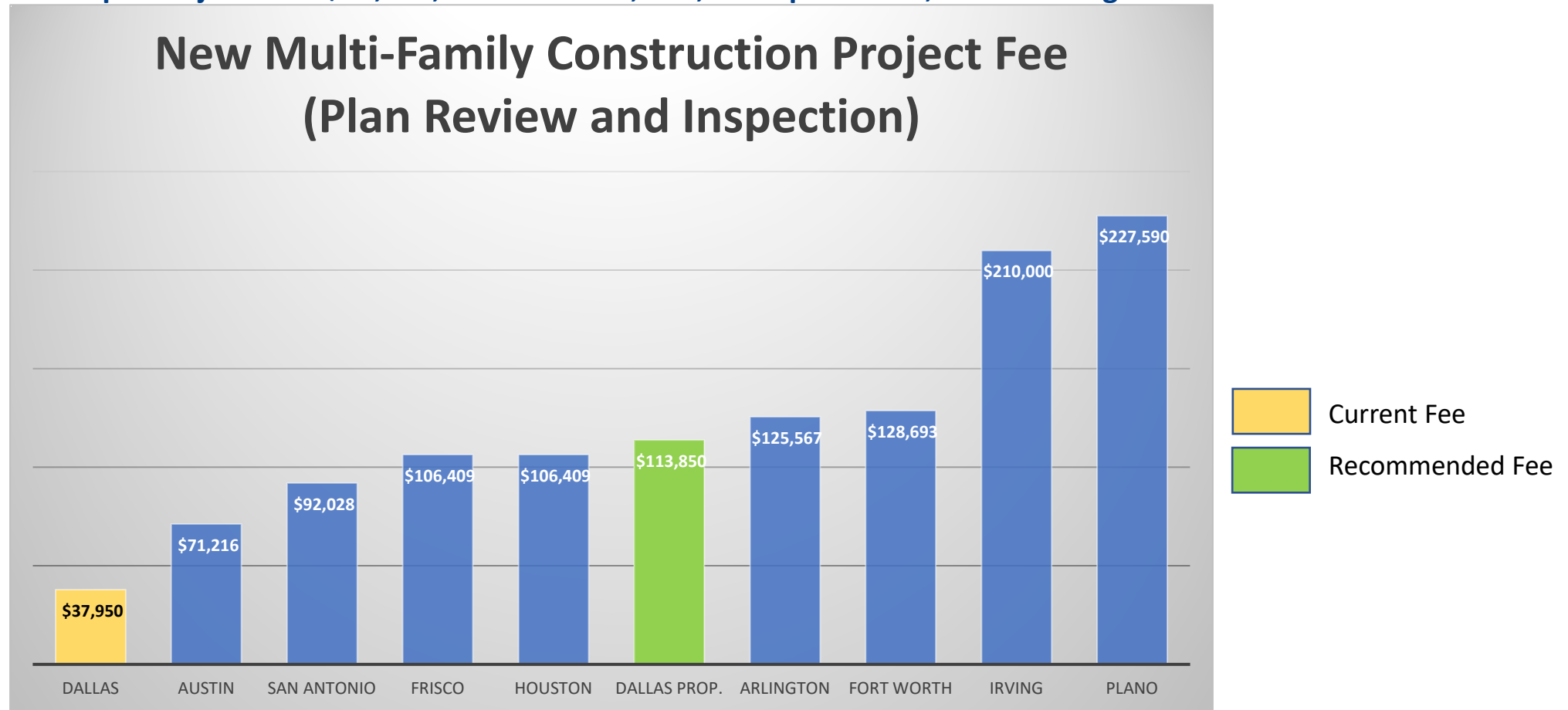
MULTI-FAMILY CONSTRUCTION PROJECT



Graph 4: Fee Comparison:

MULTI-FAMILY CONSTRUCTION PROJECT

Example Project Size: \$33,000,000 Valuation; 350,000 Square Feet; 150 Dwellings



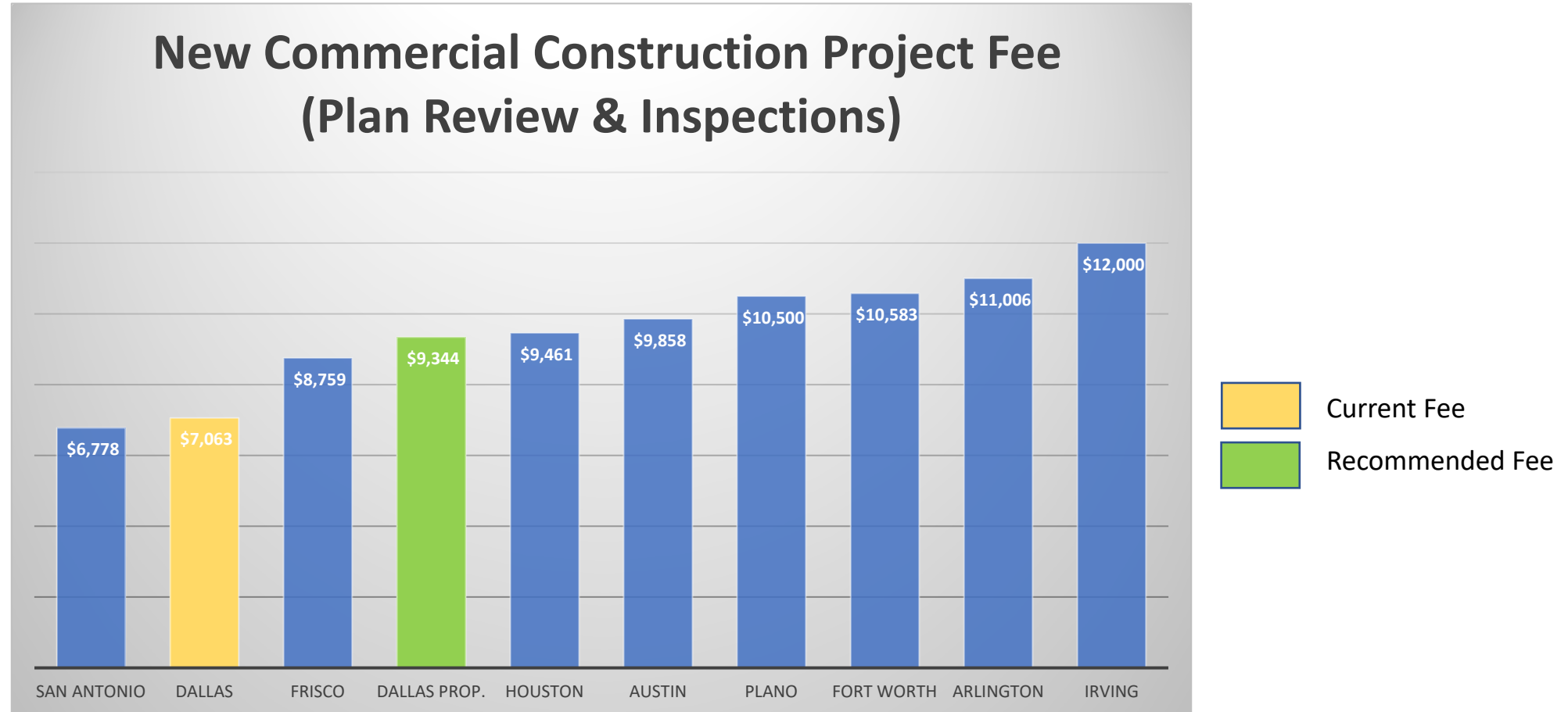
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Retail



Graph 5: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - RETAIL
Example Project Size: \$2,000,000 Valuation; 20,000 Square Feet



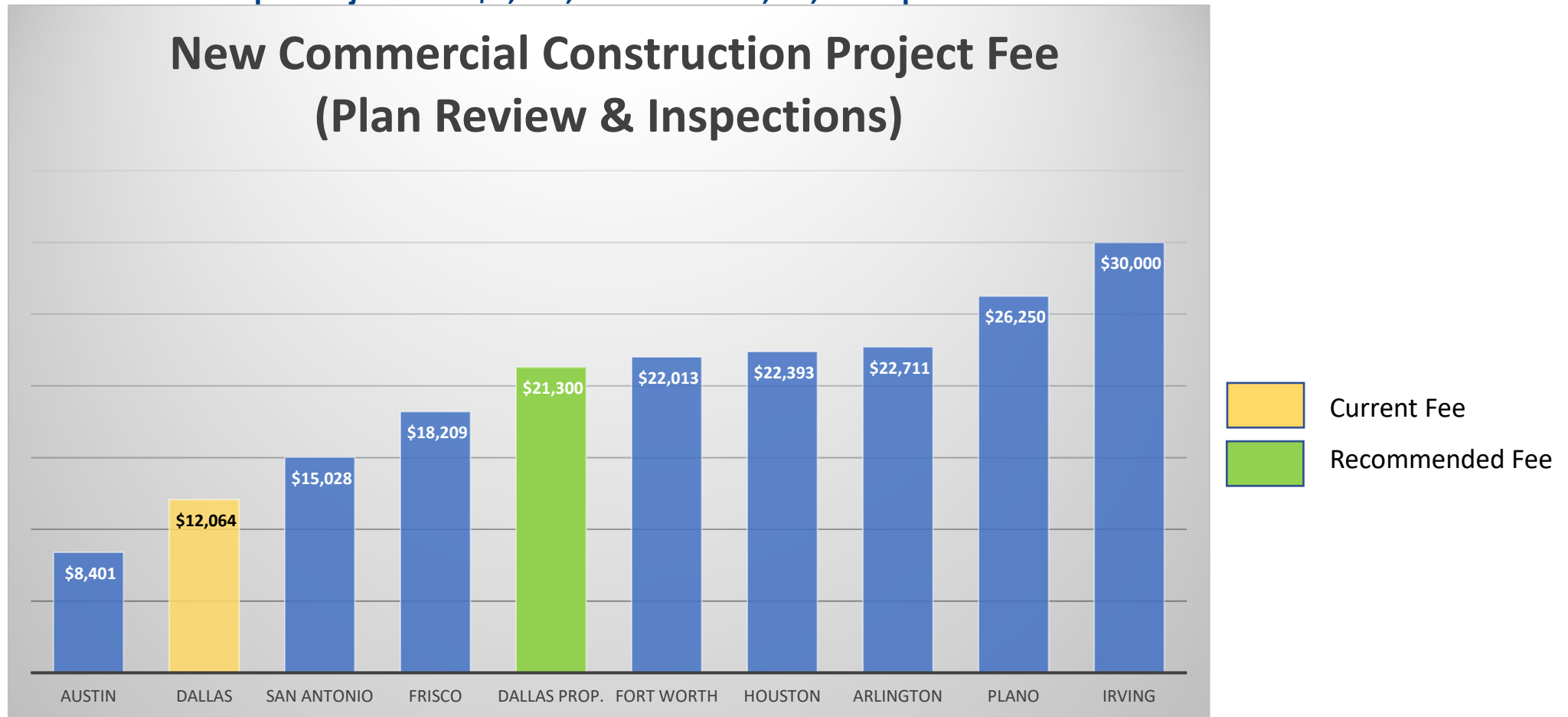
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Office



Graph 6: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - OFFICE
Example Project Size: \$5,000,000 Valuation; 50,000 Square Feet



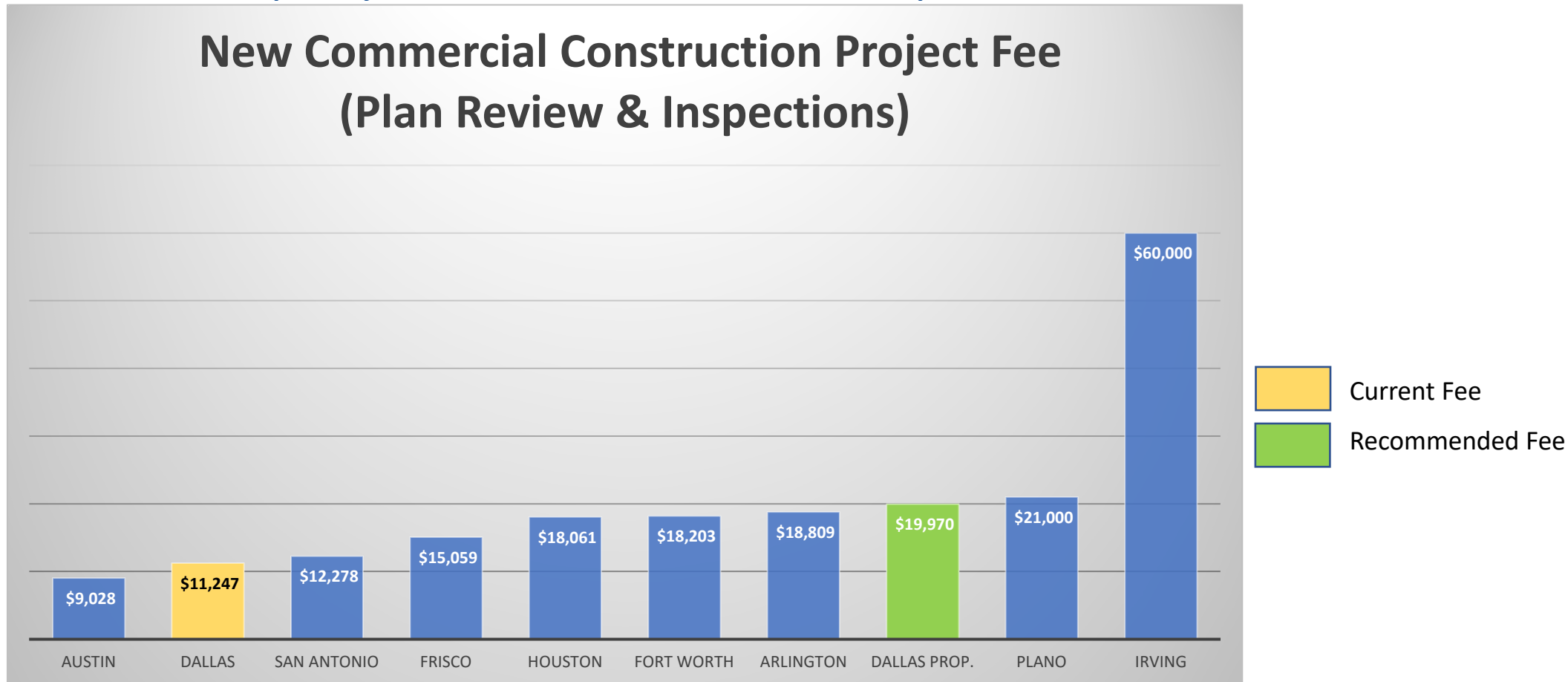
Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



New Commercial Construction - Warehouse



Graph 7: Fee Comparison:
COMMERCIAL CONSTRUCTION PROJECT - WAREHOUSE
Example Project Size: \$4,000,000 Valuation; 100,000 Square Feet



Note: Fees in graph are strictly for permitting, plan review, and inspection services. The City of Dallas does not charge utility impact fees as other Cities do.



DIVISIONS



Division	Cost	Current Revenue	Current Subsidy
Inspections & Plan Review	\$41,623,673	\$24,227,138 (58%)	\$17,396,535 (42%)
Engineering	\$5,823,111	\$2,268,294 (61%)	\$3,554,818 (61%)
GIS	\$784,100	\$22,150 (3%)	\$763,950 (97%)
Subdivision	\$1,873,983	1,271,517 (68%)	\$602,466 (32%)
Total	\$50,106,867	\$27,789,098 (55%)	\$22,317,769 (45%)*

**Note: Subsidies have been compensated through the Development Enterprise Fund Reserves.*



DIVISION – GIS



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$786,100	\$22,150	\$763,950	\$786,100	\$763,950	\$0
% of Full Costs	-	3%	97%	100%	3449%	0%
Total Other Services	\$921,811	\$0	\$921,811	\$0	\$0	\$921,811
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$1,707,911	\$22,150	\$1,685,761	\$786,100	\$763,950	\$921,811
% of Full Costs	-	1%	99%	46%	3449%	54%



DIVISION – BUILDING INSPECTIONS



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$41,623,673	\$24,227,138	\$17,396,535	\$41,623,673	\$17,396,535	\$0
% of Full Costs	-	58%	42%	100%	72%	0%
Total Other Services	\$3,391,163	\$0	\$3,391,163	\$0	\$0	\$3,391,163
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$45,014,836	\$24,227,138	\$20,787,698	\$41,623,673	\$17,396,535	\$3,391,163
% of Full Costs	-	54%	46%	92%	72%	8%



DIVISION – SUBDIVISION



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$1,873,983	\$1,271,517	\$602,466	\$1,873,983	\$602,466	\$0
% of Full Costs	-	68%	32%	100%	47%	0%
Total Other Services	-\$43,237	\$0	-\$43,237	\$0	\$0	-\$43,237
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$1,830,746	\$1,271,517	\$559,229	\$1,873,983	\$602,466	-\$43,237
% of Full Costs	-	69%	31%	102%	47%	-2%



DIVISION – ENGINEERING



Current Costs				Recommendations		
	Annual Costs	Annual Revenue	Annual Subsidy	Annual Revenue	Increased Revenue	Subsidy
Total User Fees	\$5,823,111	\$2,268,294	\$3,554,818	\$5,677,326	\$3,409,033	\$145,785
% of Full Costs	-	39%	61%	97%	150%	3%
Total Other Services	\$1,056,085	\$0	\$1,056,085	\$0	\$0	\$1,056,085
% of Full Costs	-	0%	100%	-	-	-
Department Totals	\$6,879,196	\$2,268,294	\$4,610,902	\$5,677,326	\$3,409,033	\$1,201,870
% of Full Costs	-	33%	67%	83%	150%	17%



- Currently DSD does not recoup costs associated with technology services and maintenance.
 - Current annual cost is \$7,166,370
 - Recommendation of \$15.00 technology fee added to each permit.
 - Other cities that charge technology fee include San Antonio, Austin and Fort Worth

Findings



- DSD generates approximately \$28 million in revenue and has an approximate \$50 million operational user costs (based on FY2023/2024 Budget)
 - Current cost recovery 55% and subsidizing 45% of costs
 - MGT recommendations would result in approximately \$22 million of additional revenues
 - Result in 99.7% cost recovery rate
 - Approximately 40 service processes not being collected



Findings/New Fees



Building Inspection	Current Fee	Proposed Fee
Conditional Approval Fee for Partial Permits (Processing Fee)	No Fee	\$250.00
Permit Extension (After Permit Issued)	No Fee	\$200.00
Inspection Scheduling Fee (Free Online)	No Fee	\$5.00
Temporary Residential Certificate of Occupancy	No Fee	\$250.00
Temporary Residential Certificate of Occupancy Extension	No Fee	\$125.00
Residential Certificate of Occupancy Move in Pending Full Certificate of Occupancy	No Fee	\$500.00
Technology Fee for all Permits	No Fee	\$15.00
Notary Fee	No Fee	\$5.00
Code Modification Requests (Alternate Means Methods)	No Fee	\$300.00
Resubmittals (After Permit has been issued all trades, excluding fire alarms/sprinklers)	No Fee	\$100/hr/trade
Revisions (To correct review denial comments) 1st revision is included in permit fee all others and trades (excluding fire alarm/sprinklers)	No Fee	\$100/hr/trade



Findings/New Fees



Building Inspection	Current Fee	Proposed Fee
Any additional miscellaneous plan review	No Fee	\$100/hr/trade
Certificate of Occupancy for Dance Halls	No Fee	\$1,000.00
Certificate of Occupancy for Sexually Oriented Business	No Fee	\$1,000.00
Residential One-and-Two Family Dwellings (Scanning)	No Fee	\$15.00
All Minor Commercial Plan Review (Less than 10,000 square feet) (Scanning)	No Fee	\$25.00
Complex Commercial Plan Review (Over 10,000 square feet) (Scanning)	No Fee	\$50.00
Complex Commercial School Plan Review (Over 10,000 square feet) (Scanning)	No Fee	\$100.00
All Stand Alone Trade Plan Reviews (Scanning)	No Fee	\$25.00
All Site Plan Reviews (Scanning)	No Fee	\$25.00
Inspection Flat Rate for all CofO and Building Permits including Fire Inspections (Remodel, Finish Outs, Expansions, New Construction)	No Fee	\$125/Inspection
Work Without Permit Investigation Fee (In Addition to 2X Penalty)	No Fee	\$100/hr/trade (1hr min/trade)



Findings/New Fees



GIS	Current Fee	Proposed Fee
Address Assignment/Reassignment for all Suites	No Fee	\$50 flat rate
Address Assignment/Reassignment for all Buildings on one site	No Fee	\$100 flat rate
Address Assignment/Reassignment for one-and-two family dwellings	No Fee	\$50 flat rate
Total Building Assignment/Reassignment 0-5	No Fee	\$100/building Flat Rate
Total Building Assignment/Reassignment 6-10	No Fee	\$75/building Flat Rate
Total Building Assignment/Reassignment 11 or More	No Fee	\$50/building Flat Rate

Arborist	Current Fee	Proposed Fee
Tree Survey Review	No Fee	\$100/hr
Tree Survey Inspection	No Fee	\$75/hr
Tree Removal Investigation	3,647.00	\$550 flat rate
Conservation Easement Review	No Fee	\$150/hr



Findings/New Fees



Engineering	Current Fee	Proposed Fee
Floodplain Miscellaneous Review	No Fee	\$100 flat rate
Review Plats and Field Notes	No Fee	\$100/hr (1 hr min)
Traffic Impact Analysis (TIA) Initial Review	No Fee	\$1,000 Flat Rate
Traffic Impact Analysis (TIA) All Subsequent Reviews	No Fee	\$100/hr

Zoning	Current Fee	Proposed Fee
Parking Agreement Terminations	No Fee	\$100/hr (1hr min)
Parking Agreement Amendments	No Fee	\$100/hr (1hr min)
Access Easement Agreements	No Fee	\$100/hr (1hr min)
Legal Build Site Determinations	No Fee	\$100/hr (1hr min)
Licensing Verification Request from DPD	No Fee	\$50/hr (1hr min)
DSD Customer Consultations longer than 20 minutes all others	No Fee	\$100/hr (1hr min)
Research (For Other City Departments)/Service Request	No Fee	\$50/hr (1hr min)
Research Fee	No Fee	\$100/hr (1hr min)
Request for Zoning Interpretation	No Fee	\$500 Flat Rate



Recommendations



- Continue our outreach and customer notification
- Add the full cost recovery Fee Schedule Updates to Chapter 52
- Consolidate Permitting Fee Schedules all into Chapter 52
- Codify the requirements for ongoing Fee Study Schedule



Next Steps



- Continue stakeholder outreach (December 2023)
- Partner with City Attorney and Draft Ordinance Update
- Provide City Council with Ordinance Update on December 13, 2023.
- Implement new Fee Schedule February 1, 2024



Stakeholder Outreach



- Dallas Home Builders Association – Aug 3rd & Oct 17th
- Development Advisory Committee – Aug 25th & Oct 20th
- Texas Real Estate Council – Oct 5th
- Third Party Plan Review Vendors- Oct 23rd
- Construction Contractors Association - Oct 25th
- Dallas Independent School District – Nov 1st
- Rescom Fire Contractors – Nov 3rd
- Building Owners and Managers Association – Nov 9th
- Fire Contractors Association - Nov 13th
- Professional Engineering Community – Nov 16th
- Professional Surveying Community – Nov 16th
- National Fire Sprinkler Association – Nov 28th





City of Dallas

**MGT Consulting of America, LLC
Fee Study for Building Permit
Fees for the Development
Services Department**

**Economic Development
Committee
December 4, 2023**

Andrew Espinoza, Director/Chief
Building Official
Development Services
City of Dallas



City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 23-3103

Item #: D.

Update on investment and affordable housing financing goals by the Dallas Housing Opportunity Fund, an affordable housing fund

[Robin Bentley, Director, Office of Economic Development]

[George Ashton, Managing Director, Local Initiatives Support Corporation Strategic Investments]

Memorandum



CITY OF DALLAS

DATE 12/04/2023

TO Honorable Mayor Pro Tem Atkins, Vice Chair Omar Narvaez, Carolyn King Arnold, Adam Bazaldua, Paul Ridley, Kathy Stewart, Chad West

SUBJECT **Dallas Housing Opportunity Fund – Progress Update**

On December 8, 2021, Dallas City council approved Resolution No. 21-1973, authorizing a Chapter 380 Economic Development Grant Agreement (“Agreement”) with Dallas Housing Opportunity Fund (“DHO”) to support the development of affordable housing within the City of Dallas. Local Incentives Support Corporation Fund (LISC) Fund Management, LLC is the sole managing member of DHO and manages, implements, and administers the fund.

The DHO is a targeted investment fund with a minimum fund size of at least \$46 million, of which at least \$40 million is to be raised by the DHO from private philanthropic donors as a deliverable of the Agreement on or before December 31, 2026. The remaining \$6 million was provided by the City of Dallas in the form of a Chapter 380 Economic Development Conditional Grant and secured by a promissory note. Under the Agreement, DHO shall create or retain a minimum of 1500 housing units for households earning at or below 120% of the area median income of the City of Dallas, with the first 100 to be created on or before December 31, 2025, and all to be created by the end of 2031.

Provided that DHO complies with all obligations contained in the Agreement, the principal amount of the Promissory Note will be forgiven in 1/15 increments (\$400,000) as each 100 affordable housing units are produced and verified by the Director.

During the obligatory period of the contract, LISC is required to submit written status reports to the Director of OED. This presentation to the Economic Development Committee serves as the required annual report for 2023.


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

c: T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Dallas Housing Opportunity Fund

Dallas Housing Opportunity Fund
Progress update to the City of Dallas

December 4, 2023

Presented by George Ashton,
President of LISC Fund Management

Disclaimer

THIS IS NOT A SOLICITATION:

This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of the Company's credit facilities or any of the Company's securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, the facilities or any of the Company's offerings in any jurisdiction. Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

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The financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes. This financial information has not been adjusted to reflect the outcome of any reorganization of the company's capital structure, the resolution or impairment of any pre-petition obligations, and does not reflect fresh start accounting which the company may be required to adopt. All forward-looking statements attributable to the Company or persons acting on its behalf apply only as of the date of this document, and are expressly qualified in their entirety by the cautionary statements included elsewhere in this document. The financial projections are preliminary and subject to change; the Company undertakes no obligation to update or revise these forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections may be inaccurate in any material respect. Therefore, the actual results achieved may vary significantly from the forecasts, and the variations may be material.

AN INVESTMENT IN A FUND ENTAILS A HIGH DEGREE OF RISK, INCLUDING THE RISK OF LOSS.

There is no assurance that a Fund's investment objective will be achieved or that investors will receive a return on their capital. Investors must read and understand all the risks described in a Fund's final confidential private placement memorandum and/or the related subscription documents before making a commitment. The recipient also must consult its own legal, accounting and tax advisors as to the legal, business, tax and related matters concerning the information contained in this document to make an independent determination and consequences of a potential investment in a Fund, including US federal, state, local and non-US tax consequences.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS OR A GUARANTEE OF FUTURE RETURNS. The performance of any portfolio investments discussed in this document is not necessarily indicative of future performance, and you should not assume that investments in the future will be profitable or will equal the performance of past portfolio investments. Investors should consider the content of this document in conjunction with investment fund quarterly reports, financial statements and other disclosures regarding the valuations and performance of the specific investments discussed herein.

EXTERNAL SOURCES. Certain information contained herein has been obtained from third-party sources. Although the Company believes the information from such sources to be reliable, the Company makes no representation as to its accuracy or completeness.

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LISC Strategic Investments - Leadership



GEORGE ASHTON

MANAGING DIRECTOR



CATHERINE CARLSTEDT

SENIOR DIRECTOR OF MARKETING



TIFFANY DURR

SENIOR DIRECTOR OF FUND INVESTMENTS



JAIME AVERY

SENIOR DIRECTOR OF FUND PERFORMANCE & MEASUREMENT



OKOMBOLI ONG'ONG'A

SENIOR DIRECTOR OF FUND MODELING & DESIGN



MICHELLE SPIVAK

SENIOR DIRECTOR OF BUSINESS DEVELOPMENT

TREC Community Investors - Leadership



**LINDA
McMAHON**
PRESIDENT & CEO



**SUMMER
LOVELAND**
CFO



**FELICIA
PIERSON**
SENIOR DIRECTOR
COMMUNITY
INVESTMENT



**KAWANISE
MIMS**
COMMUNITY
INVESTMENT
MANAGER



**AMY
STOVALL**
SENIOR DIRECTOR
OF MEMBERSHIP,
ENGAGEMENT, AND
COMMUNICATIONS



**NEBIAT
WODERE**
CONTROLLER

Dallas Housing Opportunity Fund

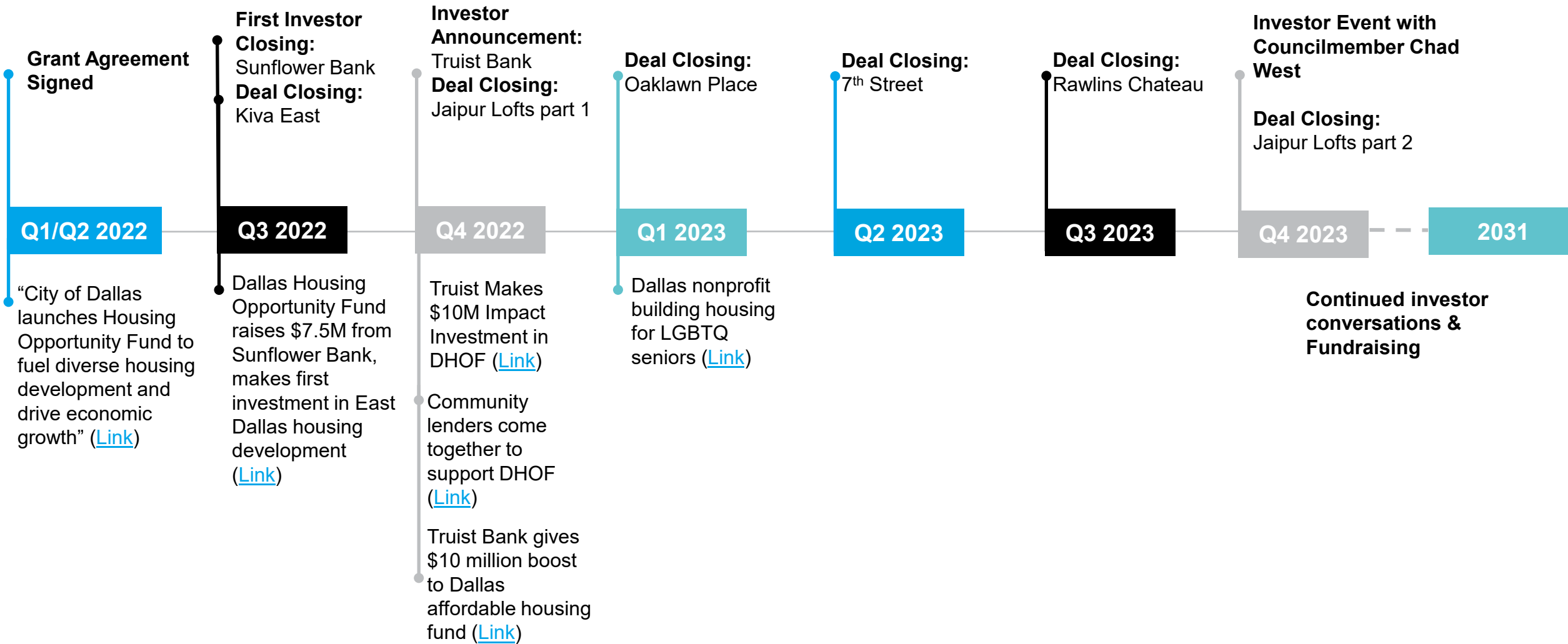
LISC is partnering with TREC Community Investors and the City of Dallas to form a mission-oriented Affordable Housing Fund

About the Dallas Housing Opportunity Fund (DHOF):

- 1) The Fund is seeded by \$6MM from the City of Dallas
- 2) The Fund seeks to support at least 1,500 affordable housing units by 2031
- 3) Eligibility:
 - a) 50% of the units at or below 120% AMI (project level)
 - b) 51% of the units at or below 80% AMI (Fund level)
- 4) Focus on preservation and new construction
 - a) Mixed-income housing
 - b) Areas of high opportunity

Mission-oriented investment vehicle set up for charitable purposes and the charitable purpose is intended to take priority over the maximizing of profits should a conflict between the two arise.

Progress since City Council Approval



City of Dallas' \$6MM is already being put to work for the community

- ✓ Grant agreement signed on January 10, 2022
- ✓ Received \$6MM from the City on June 22, 2022
- ✓ All dollars are at work in the community



Mayor Johnson at the Kiva East Groundbreaking
12/6/2022



Breaking Ground at Kiva East
12/6/2022



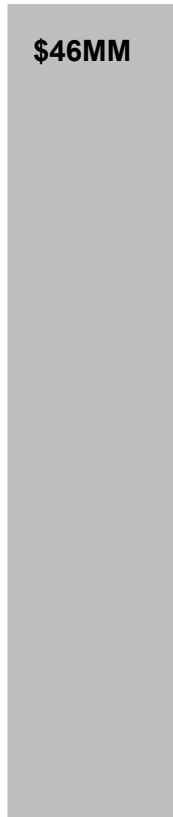
DHOAF Affordable Housing Convening & Truist Bank \$10MM investment announcement
11/30/2022



Kiva East construction is almost complete
10/2/2023

DHOF fundraising

Minimum Goal:
\$46MM



Per the Grant Agreement, DHOF needs to be \$46MM by Dec 31, 2026




Current status:
\$23.5MM



As of March 31, 2023, DHOF is a \$23.5MM Fund.

Achieved in less than 1 year with 2.5+ years remaining.

DHOF Investors:

1.  City of Dallas \$6MM grant (1/10/2022)
2.  Sunflower Bank \$7.5MM debt and equity (9/23/2022)
3. **TRUIST**  \$10MM debt (3/14/2023)

Fundraising insights:

- **Currently in discussion with a dozen investors, two are in due diligence**
- **One of the biggest fundraising challenges has been the sharply rising interest rate environment**

DHOF currently supports 280 units of affordable housing (<80% AMI)

Kiva East



Loan amount: \$3.4MM
TDC: \$25MM
Sponsor: Saigebrook Developments

Total Units: 87 (71 units affordable at 30%, 50%, and 60% of AMI, and 16 units at market rate)

Tuition-free, Montessori pre-school: Offers a free pre-school for 40 students ([about Bezos academy](#)).

Closed: 9/15/2022

Oaklawn Place



Loan amount: \$5.4MM
TDC: \$30MM
Sponsor: Resource Center, Matthews Southwest, Volunteers of America

Total Units: 84, seniors 55+ (21 at 30% AMI, 34 at 50% AMI, and 29 at 60% AMI)

Services: Seeks to prioritize the LGBTQ+ community. Transportation, adult education, health fairs, exercise classes, organized community programming
Closed: 3/14/2023

7th Street



Loan amount: \$0.99MM
TDC: \$1.134MM
Sponsor: Exodus Development Group

Total Units: 6 (3 at 120% AMI)

Impact: Renovation of a multi-family development in the Bishop Arts District, a rapidly gentrifying area with increasing rental costs. Also supports an African American developer and property manager.

Closed: 5/31/2023

Rawlins Chateau



Loan amount: \$6.1MM
TDC: \$10.1MM
Sponsor: Metrocare

Total Units: 54 (100% affordable below 120% AMI, 60% affordable below 100% AMI)

Permanent Supported Housing: 22 units reserved for formerly chronically homeless individuals with a disability. Service providers on site to support families with resources.

Closed: 8/18/2023

Jaipur Lofts



Loan amount: \$5.5MM
TDC: \$24.5MM
Sponsor: O-SDA

Total Units: 71 (13 at 30% AMI, 26 at 50% AMI, 21 at 60% AMI, and 11 at 80% AMI)

Impact: Located in a rapidly gentrifying area within census tract where no tax credit housing has been developed within the past twenty years.

Closed: 10/31/2023

Totals:



\$22MM

in closed loans,



financing

302 total units

Administrator shall produce a minimum of 1,500 affordable housing units, with the first 100 units created on or before 12/31/25

DHOF has a robust deal pipeline of \$60MM in financing requests

DHOF Pipeline							
Deal Name	Loan Amount	Status	Total Units	<80% AMI Affordable Units	<120% AMI Affordable Units	Neighborhood	Council Member
1 Kiva East	\$3,400,000	Closed	87	71	71	Old East Dallas	Jesse Moreno
2 Jaipur Lofts (Land loan)	\$5,700,000	Closed	71	71	71	East Dallas	Jesse Moreno
Jaipur Const/Perm Loan	\$5,500,000	Closed					
3 Oaklawn Place	\$5,420,000	Closed	84	84	84	Oaklawn	Jesse Moreno
4 7 th Street	\$955,000	Closed	6	3	3	Oak Cliff	Chad West
5 Deal 5	\$6,150,000	Pending	54	54	54	Oaklawn	Paul Ridley
6 Deal 6	\$1,700,000	Pending	15	10	15	West Dallas/La Bajada	Omar Narvaez
7 Deal 7	\$5,000,000	Pending	107	85	107	Ceder Crest	Carolyn King Arnold
8 Deal 8	\$5,000,000	Pending	252	0	252	Southern Dallas	Tennell Atkins
9 Deal 9	\$2,000,000	Pending	50	50	50	Fair Park	Adam Bazaldua
10 Deal 10	\$5,000,000	Pending	251	251	251	University Crossing	Paul Ridley
11 Deal 11	\$5,000,000	Pending	264	264	264		
12 Deal 12	\$5,000,000	Pending	280	280	280		
13 Deal 13	\$5,000,000	Pending	285	285	285		
14 Deal 14	\$5,000,000	Pending	160	100	100		

Total Pipeline Amount

\$60,125,000

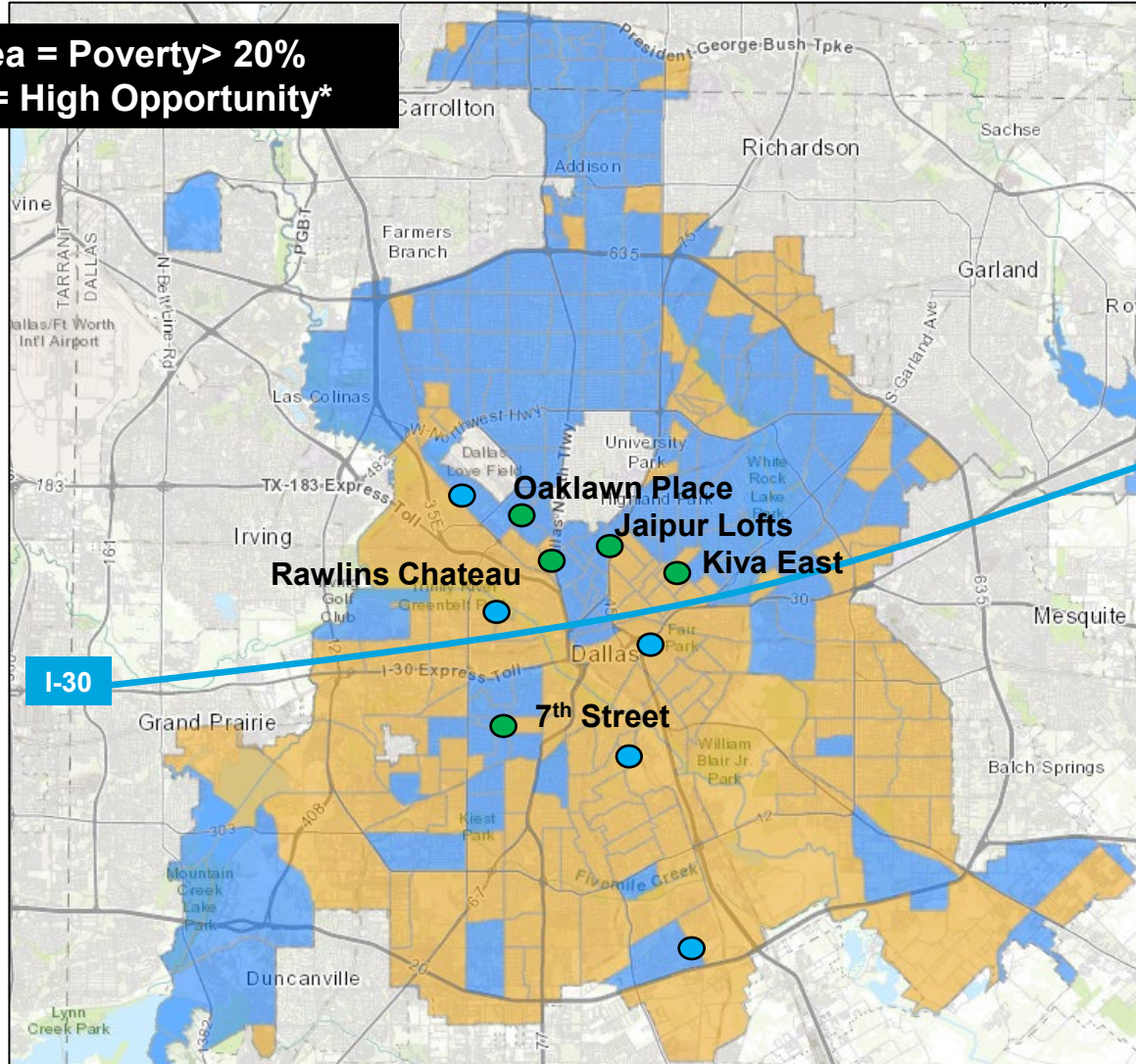
Total Projected Units

1,966

DHOF is on track to support 1,500 units of affordable housing

DHOF seeks deals in “Areas of High Opportunity” with low poverty

Orange Area = Poverty > 20%
Blue Area = High Opportunity*



***High opportunity areas within the City of Dallas where the census tract has poverty rates of 20% or below**

- Closed
- In Underwriting

All five closed deals are within the City of Dallas’ high opportunity areas, supporting the City of Dallas’ goals for community development

Challenges

- Supporting affordable **for-sale / single family** housing
 - Several impactful for-sale home deals with the typical 5-year affordability period (these deals are ineligible as they do not align with the DHOF-required 15 years)
- **Banking environment**
- **Rising interest rates** creating a larger gap between the Fund's concessionary rates and the market (LIBOR* has increased from 0.60% on 1/4/22 to 5.45% on 1/3/23)
- **CRA RFP changes** (freeze on investments in Q2/Q3)



Successes

- **Raised money quickly** from banking partners
 - \$15MM debt and \$2.5MM equity raised
- **Deploying capital quickly**
 - \$22MM in deals
- **Developer referrals**



CONTACT

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LISC Strategic Investments

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City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 23-3163

Item #: E.

Forward Dallas Update
[Andrea Gilles, Assistant Director, Planning and Urban Design]



City of Dallas

***FORWARD*DALLAS**
Update

**Economic Development
Committee
December 4, 2023**

Andrea Gilles, AICP, Director (i)
Planning & Urban Design

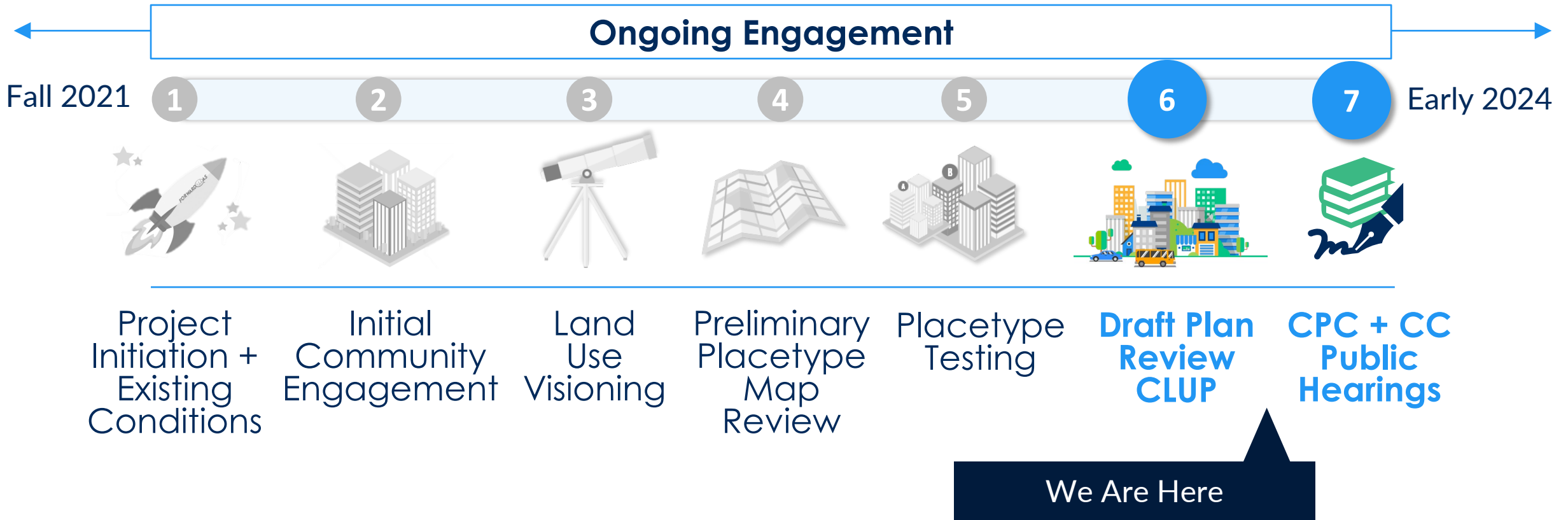
Agenda



1. ForwardDallas Process
2. Community Engagement
3. Land Use Themes + Key Plan Components
4. Placetypes
5. What's Next



Process



Land Use Themes



1



Environmental Justice

2



Housing Accessibility

3



Economic Development + Revitalization

4



Transit Oriented Development + Connectivity

5



Urban Design



Key Plan Components



A



Land Use Themes

WHY?

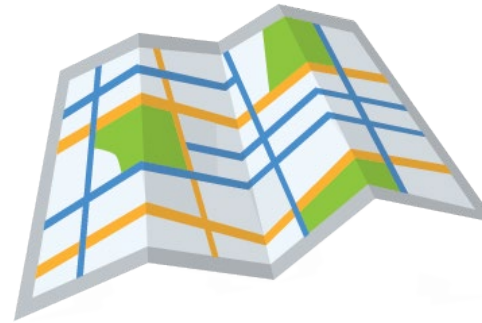
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Placetype Descriptions

WHAT?

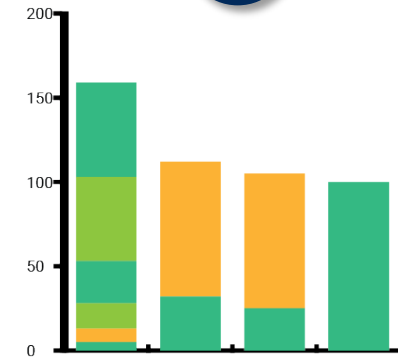
C



Placetype Map

WHERE?

D



Implementation Plan

HOW + WHEN + WHO?





Placetypes

A **placetype** represents a holistic, bigger-picture vision for a community or place that incorporates a desired mix of land uses, design, function, and intensity.



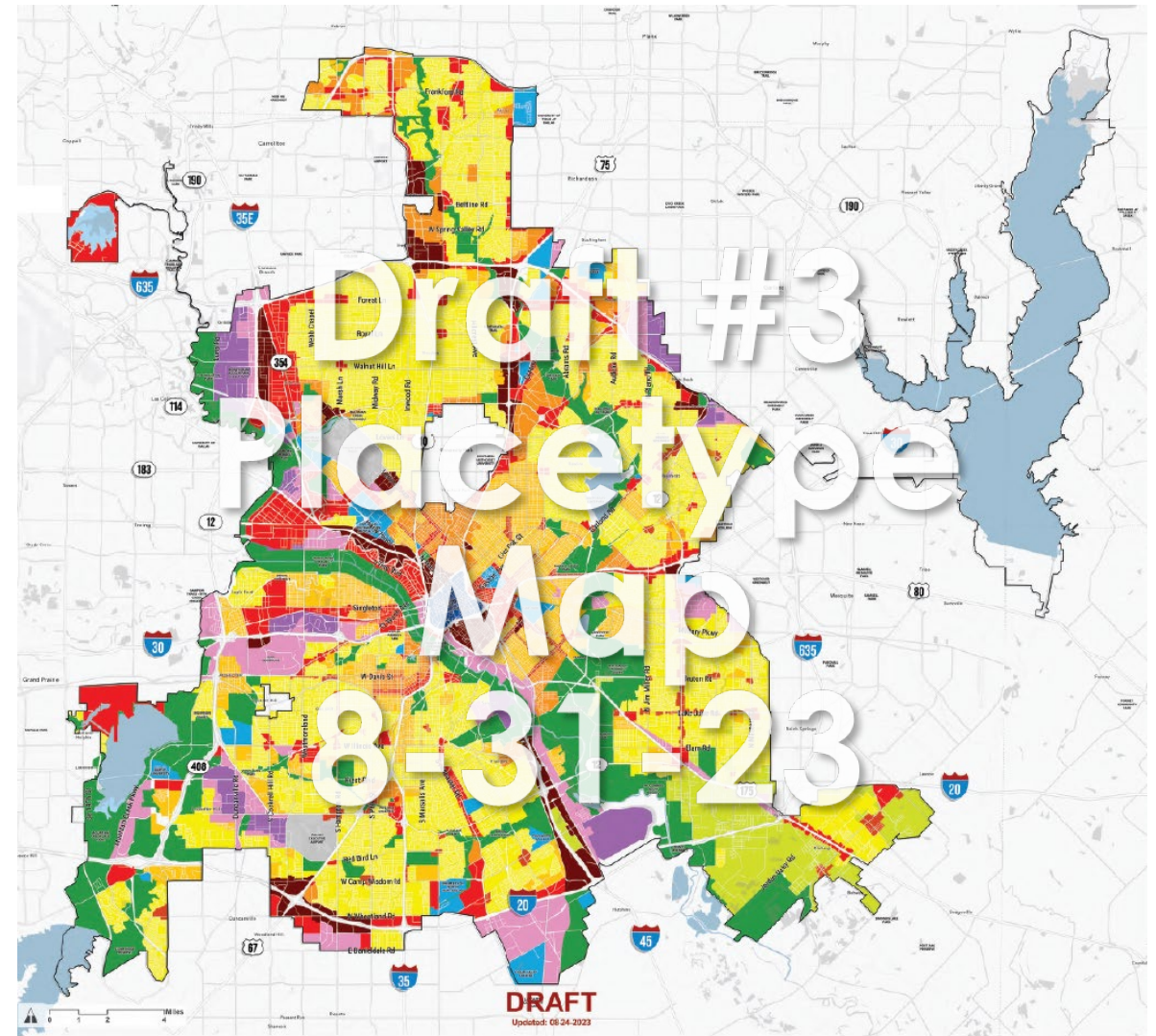
											
REGIONAL OPEN SPACE	SMALL TOWN RESIDENTIAL	TRADITIONAL RESIDENTIAL	BLENDED RESIDENTIAL	CITY RESIDENTIAL	NEIGHBORHOOD / MIXED-USE	COMMUNITY MIXED-USE	REGIONAL / MIXED-USE	CITY CENTER	INSTITUTIONAL CAMPUS / SPECIAL PURPOSE	FLEX COMMERCIAL	INDUSTRIAL HUB

Draft Placetype (future land use) Map



Draft #3 ForwardDallas Citywide Placetype Map

- Regional Open Space
- Small Town Residential
- Traditional Residential**
- Blended Residential**
- City / Urban Residential
- Neighborhood Mixed Use
- Community Mixed Use
- Regional Mixed Use
- City Center / Urban Core
- Institutional Campus / Special Purpose
- Flex Commercial**
- Industrial Hub**





What's Next

- **Dec 8, 2023:** Updated draft plan, incorporating Comprehensive Land Use Plan Committee (CLUP) + additional community comments
- **Dec 12, 2023:** CLUP review of updated draft and potential recommendation to City Plan Commission (CPC)
- **Jan 2024:** Alternative final CLUP review and recommendation to CPC
- **Jan/Feb - May 2024:** Review and public hearings with CPC
- **Jan/Feb 2024:** Briefing update to City Council
- **May/June 2024:** CPC recommendation to City Council
- **June 2024:** City Council review and public hearings





***FORWARD*DALLAS** **Update**

Economic Development Committee December 4, 2023

Andrea Gilles, AICP, Director (i)
Planning & Urban Design





City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 23-3104

Item #: F.

Discussion of Impact of Two-Four Unit Housing and Minimum Residential Lot Size Regulations on Housing Development Options

[Andrea Gilles, Director, Planning & Urban Design, Andreea Udrea, Assistant Director, Planning & Urban Design]

Memorandum



CITY OF DALLAS

DATE December 1, 2023

Honorable Members of the City Council Economic Development Committee: Tennell
TO Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn Arnold, Adam Bazaldua, Paul
Ridley, Chad West, Kathy Stewart

SUBJECT **Discussion of Impact of Two-Four Unit Housing and Minimum Residential Lot Size
Regulations on Housing Development Options**

An item entitled, "Discussion of Impact of Two-Four Unit Housing and Minimum Residential Lot Size Regulations on Housing Development Options," was scheduled to be presented to the Economic Development Committee on December 4, 2023. At the request of Mayor Eric Johnson, this item has been moved to the Housing and Homelessness Committee meeting scheduled on December 12, 2023. Should you have any questions, please contact me by email at majed.al-ghafry@dallas.gov.

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

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

c: T.C. Broadnax, City Manager
Tammy Palomino, \ City Attorney
Mark Swann, City Auditor
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors



City of Dallas

1500 Marilla Street
Council Chambers, 6th Floor
Dallas, Texas 75201

Agenda Information Sheet

File #: 23-3105

Item #: G.

Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for Park South YMCA
(2500 Romine Ave., 75215)

[Heather Lepaska, Assistant Director, Office of Economic Development]

Memorandum



CITY OF DALLAS

DATE December 1, 2023

Honorable Members of the City Council Economic Development Committee: Tennell
TO Atkins (Chair), Omar Narvaez (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Paul
Ridley, Kathy Stewart, Chad West

SUBJECT **Upcoming Agenda Item Regarding a New Markets Tax Credit Transaction for
Park South YMCA**

On January 10, 2024, the City Council will be asked to consider a resolution authorizing a New Markets Tax Credit (NMTC) transaction between the YMCA of Metropolitan Dallas, the Dallas Development Fund (DDF) and Capital One bank for the reconstruction of the Park South YMCA located at 2500 Romine Ave, 75215.

In 2009, the City of Dallas authorized the creation of DDF, a non-profit Community Development Entity (CDE) to apply for NMTC allocation from the U.S. Department of Treasury's Community Development Financial Institutions Fund and to manage awarded NMTC allocations. DDF was most recently awarded \$55 million in the 2021 allocation cycle, and previously has been awarded a total of \$185 million in allocation from the 2009, 2012 and 2014, 2017 cycles. DDF has closed \$191 million in allocation to date, with an additional \$10 million expected to close in December, 2023.

The NMTC program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by the CDE for projects and investments in low-income communities, as defined by the NMTC program, and serve as the subsidy to the project in the NMTC transaction. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a 7-year credit allowance period.

On November 14, 2023, DDF considered and approved a NMTC transaction between DDF, Capital One, and YMCA of Metropolitan Dallas (YMCA). This NMTC allocation will use up to \$7 million of DDF's \$55 million NMTC allocation. Texas Mezzanine Fund (TMF) is also providing up to \$11 million in allocation to support the project for a total of \$18 million in NMTC allocation. Capital One is anticipated to provide a total of approximately \$5.7 million in NMTC equity (gross) to support the \$7 million in allocation from DDF and \$11 million in allocation from TMF.

The YMCA of Metropolitan Dallas has been serving local communities with youth development, healthy living, and social responsibility programs for 137 years. Today, the organization serves over 200,000 individuals via 16 branches and over 200 program sites across six counties. To ensure residents of varying incomes can participate in its programs, the YMCA provides more than \$4 million financial assistance annually.

This Project supports the construction of a 41,000-square-foot family YMCA in South Dallas to replace the aging Park South Family YMCA that has provided critical services to the community for over 50 years. The Project includes six classrooms for preschool and after-school care, a full-sized gymnasium, a commercial kitchen and demonstration lunchroom, multipurpose space for programming, a swimming pool, and a cardio and weight floor.

The Project will serve 2,800+ individuals annually (expanding overall capacity by 35%); more than 80% of participants are anticipated to be low-income. The Project takes a holistic, multi-generational approach to providing services ranging from childcare and early learning programs to after school programs and summer camps to wellness programs and classes for adults, including dedicated programs for parents and seniors, as noted below:

- **Childcare and Early Learning.** The Project will provide affordable, high-quality year-round preschool for 175 children annually (creating 45 new seats), addressing a shortage of affordable childcare in the area. The YMCA's early learning programs historically lead to strong outcomes for youth: 91% of Park South YMCA preschool students meet kindergarten readiness standards.
- **Youth Development.** The Project will offer after-school programming to 158 youth annually and summer camps to 282 youth annually. The after-school programming combines tutoring and homework assistance with recreation for elementary school age children, while the teen program provides leadership and life-skills development programs. The project includes dedicated spaces for teens to increase teen engagement and support development.
- **Healthy Living.** The Project will serve all ages with resources to maintain and improve health outcomes. In addition to providing space to exercise independently and hosting group fitness classes, the YMCA will offer chronic disease prevention and management programs, including diabetes prevention and blood pressure self-monitoring programs. The YMCA also will offer cooking classes and access to healthy foods in response to high food insecurity in the community (a USDA-designated food desert), addressing root causes of health disparities. To ensure that community members are safe around water, the YMCA will provide swim instruction.
- **Financial Literacy and Small Business Support.** The Project will offer a financial literacy program in partnership with Comerica Bank. Participants will learn from an array of courses on personal banking, credit, insurance, and estate planning. Through the partnership, small business entrepreneurs will also have free access to office space in Comerica's BusinessHQ resource center and be able to receive business plan development, banking products, and administration support.

DATE December 1, 2023
SUBJECT **Upcoming Agenda Item: Park South NMTC Project**
PAGE **3 of 3**

The project site is located at 2500 Romine Avenue in Dallas, TX. The project falls within Census Tract 48113003700, which is NMTC-qualified and considered “severely distressed” per the CDFI fund based on a poverty rate of 31.3%, a median family income 49.8% of AMI, and an unemployment rate that is 2 times the national average.

NMTC funding is a critical source to allow the project to proceed as scheduled. The Park South Family YMCA branch operates at an operating deficit, so the Project cannot support any traditional debt. Without the proceeds resulting from DDF’s NMTC allocation, the YMCA would be forced to delay the project to search for alternative funding sources, deferring the delivery of much-needed childcare and health and wellness services for low-income families in South Dallas.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at robin.bentley@dallas.gov or 214.670.1685.



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

c: T.C. Broadnax, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors