

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, on November 11, 1992, City Council authorized the creation of Tax Increment Reinvestment Zone Number Three, (the "Oak Cliff Gateway TIF District", or "District") in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, Chapter 311 to promote development and redevelopment in the north Oak Cliff area through the use of tax increment financing by Ordinance No. 21466, as amended; and

WHEREAS, on February 12, 1997, City Council authorized the Oak Cliff Gateway TIF District Final Project Plan and Reinvestment Zone Financing Plan ("Project Plan") by Ordinance No. 23033, as amended; and

WHEREAS, on November 9, 2009, City Council authorized the establishment of the City of Dallas Oak Cliff Gateway Grant Program by Ordinance 27743, as amended; and

WHEREAS, on January 14, 2016, the Oak Cliff Gateway TIF District Board of Directors reviewed the proposed Bishop Arts Station project ("the Project") and recommended City Council authorize a development agreement with Alamo Manhattan BAD, LLC ("Owner"), and dedicate an amount not to exceed \$11,250,000 in future TIF revenues from the Oak Cliff Gateway TIF District for certain TIF eligible public improvements; and

WHEREAS, the creation of additional residential development is anticipated to further future growth and expansion of residential and commercial activity within the City of Dallas; and

WHEREAS, the City encourages mixed income neighborhoods, and the neighborhood surrounding the project is in need of mixed income housing; and

WHEREAS, the Project is in a rapidly redeveloping area of high opportunity and the development allows the City to continue its efforts to foster inclusive communities that overcome patterns of segregation; and

WHEREAS, the Project is located in an area that is close to downtown, nearby jobs, transit, and transportation systems; and

WHEREAS, in furtherance of the Project Plan, and to promote within the District (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, and (3) development and expansion of commerce, the City desires to provide economic incentives to the Owner for the construction of the Bishop Arts Station project at a site currently addressed at 202, 204, and 235 West Davis Street and pending an abandonment process acquisition of a portion of City owned right-of-way at 138 West Davis Street in the Oak Cliff Gateway TIF District as described in the conceptual site plan, preliminary conceptual renderings, and building materials attached hereto as Exhibits A1-A7.

NOW, THEREFORE,

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

Section 1. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a development agreement between Alamo Manhattan BAD LLC ("Owner") and the City of Dallas, on behalf of the Oak Cliff Gateway TIF District, thereby confirming the Oak Cliff Gateway TIF District Board of Director's dedication of future tax increment revenues in an amount not to exceed \$11,250,000 to provide funding for TIF-eligible project costs as shown in the TIF Funded Project Budget attached hereto as **Exhibit B**. This project includes infrastructure improvements, pedestrian linkages, and an economic development grant as part of the implementation of the Oak Cliff Gateway TIF District Project Plan and Reinvestment Zone Financing Plan.

Section 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

Section 3. That the Chief Financial Officer is hereby authorized to encumber and disburse funds from future tax increments and subject to future appropriations from:

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 4210, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$555,280;

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 4510, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$1,964,236;

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 4154, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$1,895,744;

Section 3. (Continued)

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 3072, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$538,340;

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 3072, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$450,000; and

Oak Cliff Gateway TIF District Fund - Fund 0034, Department ECO, Unit W059, Activity TOAK, Object 3016, Program No. OCGTIF0007, CT ECOW059E267, Vendor No. VS90062, in an amount not to exceed \$5,846,400.

Total amount not to exceed \$11,250,000.

Section 4. That the Owner shall design, fund and/or construct public improvements to support the development of the Bishop Arts Station project at a site currently addressed at 202, 204, and 235 West Davis Street and pending an abandonment process acquisition of a portion of City owned right-of-way at 138 West Davis Street in the Oak Cliff Gateway TIF District as described in Section 6 and in substantial conformance with **Exhibit A1-A7 - Site Plan, preliminary conceptual renderings, and building materials.** Up to \$11,250,000 of the TIF-eligible project costs for the Project in the Oak Cliff Gateway TIF District may be reimbursed from the Oak Cliff Gateway TIF District Funds. The Owner will be paid solely from the Oak Cliff Gateway TIF District Funds in accordance with the terms of the development agreement described in hereof and **Exhibit C - TIF Increment Allocation Policy Oak Cliff Gateway TIF District**, but only to the extent such Oak Cliff Gateway TIF District funds are available for such purpose. No interest will be paid on this award since funds are not advanced to the City for these improvements.

Section 5. That nothing in this resolution shall be construed to require the City to approve payment from any source of City funds other than the Oak Cliff Gateway TIF District Fund and/or Tax Increment Bonds.

Any funds expended under the development agreement that remain unpaid upon termination of the Oak Cliff Gateway TIF District, due to lack or unavailability of Oak Cliff Gateway TIF District Funds, shall no longer be considered project costs of the Oak Cliff Gateway TIF District or the City and the obligation of the Oak Cliff Gateway TIF District to pay Owner shall automatically expire.

Section 6. That in addition to the conditions set out in the Sections above, the Development Agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- A. A minimum of \$40 million in private improvements in the Project including all land and building acquisition, site preparation, and construction hard costs.
- B. A minimum of 150,000 leasable square feet of residential space.
- C. For a period of fifteen (15) years from the date Owner receives the final Certificate of Occupancy (CO) for the residential portion of the Project ("Affordability Period"), a minimum of 20% of the units in the Project shall meet the affordability requirements of the Project Plan and the City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines (**Exhibit D - City of Dallas Tax Increment Finance Districts Mixed Income Housing Guidelines**). In addition, the affordable units shall be dispersed by unit type and location throughout the property. The affordability requirement shall be impressed upon the property by deed restriction.
- D. Owner shall obtain a building permit for the construction of the Project by June 30, 2017.
- E. The Owner shall complete construction and obtain a final certificate of occupancy for the residential portion of the Project and shall complete construction, complete the building permit, and pass final inspection for the building shell for any commercial/flex portion of the project by December 31, 2019 ("CO date").
- F. Owner shall complete construction and obtain a letter of acceptance or similar documentation issued by the City and signifying acceptance of the public improvements by December 31, 2019, for public infrastructure improvements associated with the project and constructed by the Owner.
- G. Owner is currently undergoing the abandonment process for 3 areas of right-of-way. These include a portion of 138 West Davis St. (3,504 square feet), and portions of Old Zang/Elsbeth Street on the north (6,802 square feet) and south (5,886 square feet) sides of 7th street.

Section 6. (Continued)

In order to meet both the requirements of the abandonment process and allow the City to reimburse the Department of Housing and Urban Development for the prior acquisition of 138 West Davis Street, Owner will need to provide two payments: (1) funds as required by HUD for the City to reimburse HUD and allow the flexibility needed for the project to move forward as designed and (2) fair market value based on the combined appraisals of the 3 abandonments; however, subject to approval by the City Manager's Office and City Council, the City may consider having the proceeds from the abandonment (net City administrative costs) be reimbursed to Alamo Manhattan BAD, LLC to help offset the cost of improving the trolley plaza (in substitution for a portion of TIF funding) after construction of the improvements are completed and City inspection/acceptance of the plaza improvements.

- H. Owner shall execute an Operating and Maintenance agreement for all non-standard public improvements associated with the project by December 31, 2019. Compliance with the executed operating and maintenance agreement shall be required of all future owners for the entire period of the Operating and Maintenance Agreement.
- I. If a minimum of 50% of the commercial space is not occupied within 18 months of the CO Date, then the payment of TIF Subsidy shall cease until such occupancy is achieved.
- J. Owner shall comply with the Business Inclusion and Development ("BID") goal of twenty-five percent (25%) for TIF reimbursable improvements, the Owner shall make a good faith effort to achieve a goal of certified minority/women-owned business enterprise (M/WBE) participation for the private improvement construction of 20% of total private expenditure (hard construction costs), and shall meet all reporting requirements for each.
- K. Owner shall market the residential units pursuant to an affirmative fair housing marketing plan approved by the City.
- L. Until the Project has received a final certificate of occupancy for the residential portion and passed the final building inspection on the building shell for any commercial portion, and all required paperwork has been submitted, the Owner shall submit quarterly project status reports to the Office of Economic Development Staff.

Section 6. (Continued)

- M. Owner shall construct public and private improvements that substantially conform in design and materials to images and site plans approved by the Oak Cliff Gateway TIF Board of Directors and the Urban Design Peer Review Panel (UDPRP) as shown in **Exhibit A1-A7 - Site Plan, preliminary conceptual renderings, and building materials** unless modifications are approved by the Director. Follow up discussion on certain elements including signage, lighting, and landscaping plans are part of the recommendation and will need to be coordinated with City Design Studio staff:
- a. The streetcar plaza is one element that the Panel specifically asked to come back for review once the design is developed further.
 - b. As the final step to the Urban Design Peer Review Process, Owner shall provide a set of permit drawings to the Dallas City Design Studio for internal review and approval at time of submittal to ensure compliance to UDPRP recommendations.
- N. The Owner shall provide evidence that reasonable efforts were made to promote the hiring of neighborhood residents for any new jobs created.
- O. Owner shall work to minimize Project construction impacts on adjacent businesses and traffic circulation with the following efforts, to be added as conditions to any construction contracts as appropriate. These conditions may be modified by mutual agreement of Owner and the City of Dallas. Owner shall abide by the requirements of the Dallas City Code, as well as all applicable state, federal and local laws, codes and regulations and shall abide by the following conditions unless specifically modified:
- a. 7th Street (in both directions of the Project site) is to remain open to traffic, with the exception of limited periods when closure is necessary for crane assembly/disassembly, utility construction, and street construction.
 - b. Any necessary closure of Davis Street for construction will be limited to Monday through Wednesday between the hours of 10:00am and 2:00pm.
 - c. Large crane operations that require street closure shall be scheduled to limit street closures to no more than three consecutive days, or before 11 am on any other day.
 - d. Construction hours shall be limited to normal hours allowed by the Dallas City Code, but construction shall cease on weekdays by 7pm and Saturday by 5:00pm. Limited exceptions to these hours may be approved by mutual consent and with reasonable advanced notice.
 - e. Owner shall not park or stage any construction related items in the small space located proximate to 7th Street at the end of Elsbeth Street or west of Madison Avenue.

Section 6. (Continued)

- f. Owner shall post signage, along with road closure and construction signage, to indicate that the adjacent business at 409 North Zang Boulevard has parking open at Zang Boulevard and 8th Street.
- g. Reasonable advanced notice shall be given of utility shut off, which shall be limited to short periods between 7:00am and 11:00am.
- h. Owner shall set up a staging area during construction for parking on or near the Project property for the general contractor and its employees.
- i. Owner shall establish security measures such as fences and guards and shall clear trash and debris during construction. Owner shall promptly repair any damage caused to the surrounding streets by Project related construction activity.
- j. Owner shall locate dumpsters behind construction fencing on its private property to minimize their visibility.

Section 7. That upon completion of the project and satisfaction of all project requirements, and subject to the availability of Oak Cliff Gateway District TIF funds, the Project shall be eligible for total TIF reimbursements in an amount not to exceed \$11,250,000 in accordance with the adopted **Exhibit C – TIF Increment Allocation Policy Oak Cliff Gateway TIF District**.

Section 8. That the Director of the Office of Economic Development, after approval and recommendation of the Oak Cliff Gateway TIF District Board of Directors, may authorize minor modifications to the project including development mix, design elements, and/or an extension of the project deadlines up to 6 months.

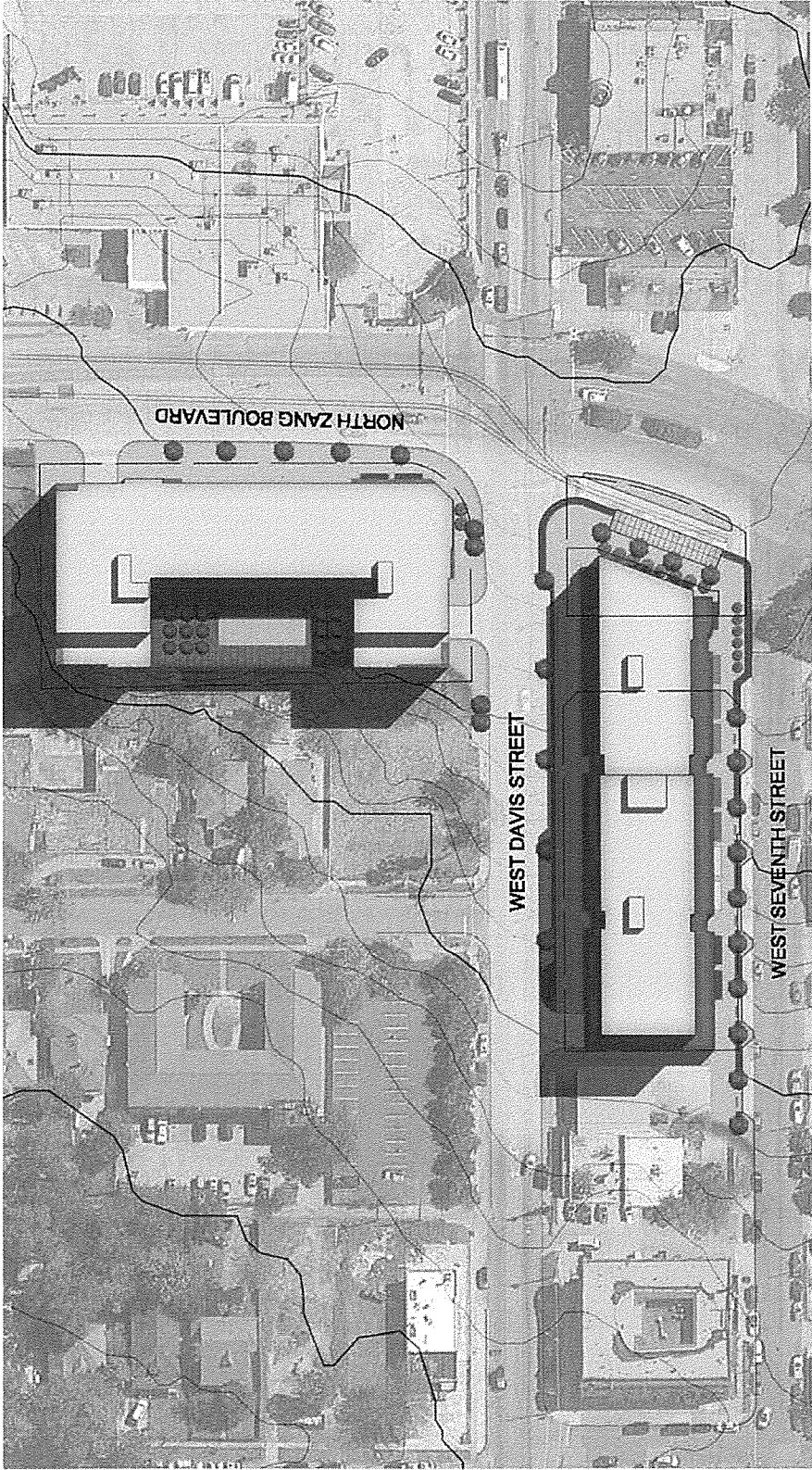
Section 9. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

MAR 23 2016


City Secretary

Exhibit A1



gff ARCHITECTS
3330 West 23rd Street, Suite 110
Fort Worth, Texas 76107 | 817.203.1000

ALAMO MANHATTAN
2028 Euromed Street, Suite 200
Dallas, Texas 75201 | 214.203.1800

Job #: 14337-02
File Name: Bishop Arts Station.rvt
Date: 08/13/2015
Drawn by: RL.G. LIA, PRT

SITE PLAN
Bishop Arts Station
Dallas, Texas



Exhibit A2

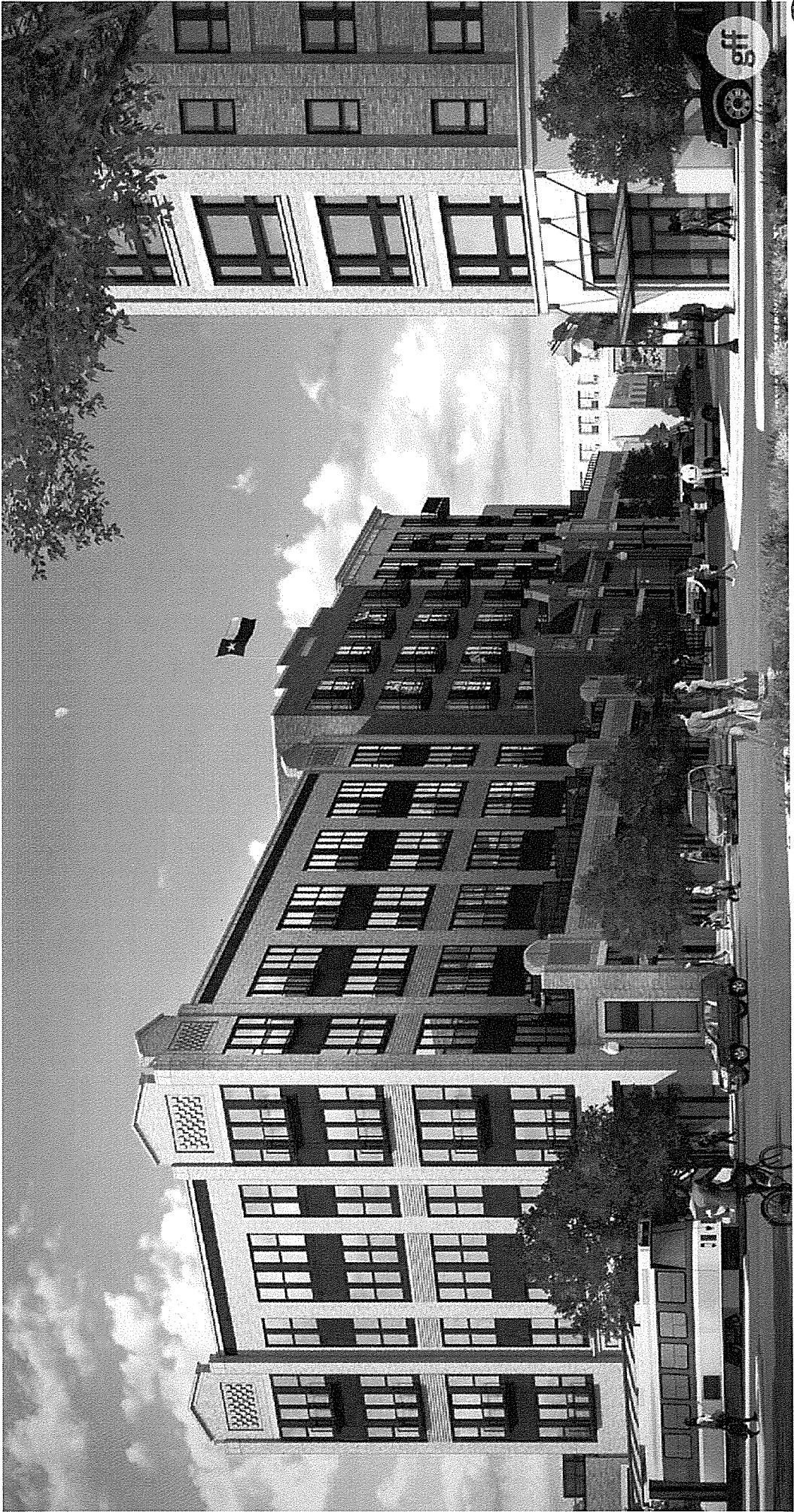
Exhibit A3



160466

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Exhibit A4



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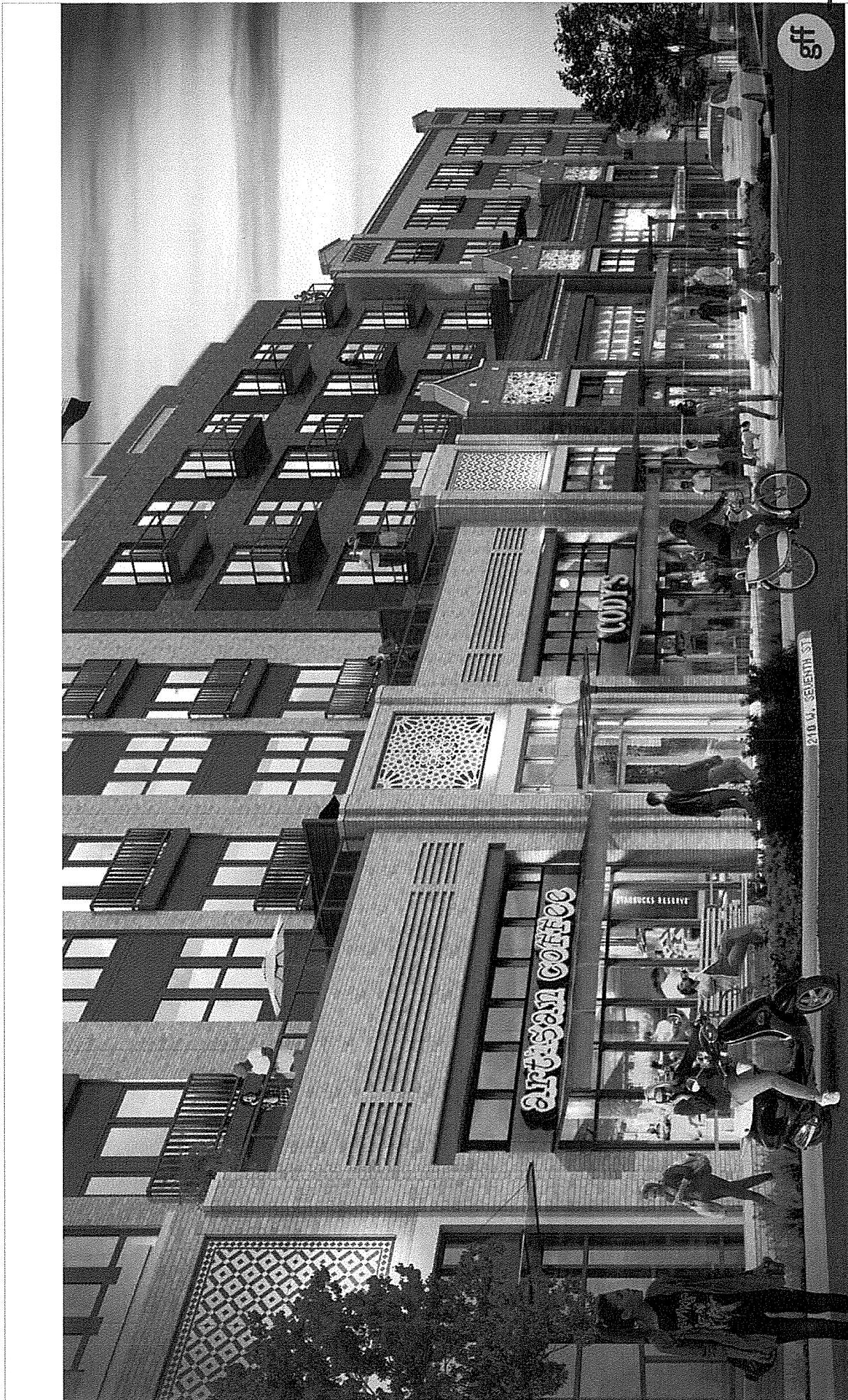
Exhibit A5



Exhibit A6



Exhibit A7



160466

Exhibit B
Bishop Arts Station Project
Oak Cliff Gateway TIF District
TIF Project Costs

Category	Staff Recommended Amount
Public infrastructure improvements: paving, streetscape, water/wastewater, storm sewer, utility burial/relocation, land acquisition, environmental work, and plaza space	\$4,953,600
Pedestrian linkages/lighting	\$450,000
Affordable housing grant[^]	\$5,846,400
Total	\$11,250,000

Requested TIF funding for the Project is an amount not to exceed \$11,250,000 for TIF-eligible improvements from the following TIF budget categories. Related design, engineering, and professional services may be included in these categories. Funds may be shifted among public infrastructure and pedestrian linkage items with no restriction up to the maximum \$11,250,000 in TIF funding. However, the grant portion shall not exceed \$6,477,272 regardless of the outcome of final bids and may be less if the public infrastructure costs are higher.

[^] Grant pursuant to the adopted Oak Cliff Gateway TIF Grant Program and is expected to help offset meeting the Mixed Income Housing requirements and will function to help to make the project financially viable.

The total TIF funding may be reduced as it relates to offsetting the costs of the trolley plaza if right-of-way abandonment payments (net City administrative fees) related to the project is approved by the City Manager's Office and City Council for reimbursement upon completion and acceptance of the plaza.

Exhibit C
TIF Increment Allocation Policy
Oak Cliff Gateway TIF District
Approved by the TIF Board May 14, 2010
Amended September 21, 2012
Amended October 23, 2014

It is important for the City of Dallas to encourage as many projects as possible in the Oak Cliff Gateway TIF District (the "Oak Cliff Gateway TIF" or "District"). In that spirit, Oak Cliff Gateway TIF funds will be allocated to Developers (defined below) proportionately, based on the increment created by the Project (as defined below) and Related Projects/Developers (as defined below) within the District, after repayment of pre-existing development agreements.

Definitions:

Project (TIF-eligible) - development or redevelopment that adds taxable real property value at a particular site or is a space or facility of public benefit such as open space, trails or cultural facilities. A Project has been approved for TIF funds and all requirements set forth in the development agreement have been completed.

Developer – A person or entity that has completed all requirements for a TIF-eligible Project as set out in the fully executed development agreement for the Project.

Related Project/Developer – if a Developer or a Developer's affiliates (as defined in a development agreement) has other development or redevelopment projects in addition to a TIF-eligible Project, increment from those Related Project(s) may be included in Individual Increment for reimbursement of the TIF-eligible Project expenses. A Developer of a TIF-eligible Project must have at least 50% ownership in any Related Project. These requirements will be further specified in a development agreement where applicable.

Related Projects must create new taxable real property value for the District based on the following criteria:

- New development on previously vacant land or demolished structures.
- Redevelopment or major modification of an existing building if this results in an increased taxable value of 50% or more of the original building or any increase in the floor area of an original building if the expansion is over 50% for residential projects, over 65% for mixed-use projects, and over 75% for office/showroom projects.

Total Increment – the annual amount of increment deposited into the Oak Cliff Gateway TIF District fund from the participating jurisdictions.

Administrative Expenses – the City will take a share of TIF revenue from this District for the amount it bills to the District for costs necessary for administration of the TIF District program, which may include charges from other departments, each year.

District-Wide Improvements – 15% of the OCG Increment (until expiration of the OCG Sub-district; thereafter, starting in 2028, 15% of the Bishop/Jefferson Increment) will be set aside for District-Wide Improvements, defined as 1) improvements that are not specific to a single development site, such as gateways, trails, open space, public facilities, or utility/streetscape

improvements benefiting multiple properties or blocks; 2) utility burial and/or streetscape improvements at any location in the District as approved by the Board; and 3) improvements or Projects that help to spur additional development in an under-served area of the District. District-Wide Improvements may be in any area of the District.

Individual Increment – the portion of the increment that a Project or Related Project creates each year

OCG Shared Increment – the OCG Increment less (1) Administrative Expenses, (2) a set-aside for District-Wide Improvements if applicable, and (3) the sum of the Individual Increments of all eligible Projects in the Oak Cliff Gateway Sub-district.

Bishop/Jefferson Shared Increment – the Bishop/Jefferson Increment less the sum of the Individual Increments of all Projects in the Bishop/Jefferson Sub-district

Available Cash - cash in the Oak Cliff Gateway TIF fund that is not already allocated, encumbered, or otherwise set aside for other purposes.

Procedure:

The District was amended in 2014 to create two sub-districts, each to create and reimburse its own increment, with a few board-approved exceptions. Therefore, a Project in the Oak Cliff Gateway Sub-district will be eligible for reimbursement from funds created within the Oak Cliff Gateway Sub-district, and a Project in the Bishop/Jefferson Sub-district will be eligible for reimbursement from funds created within the Bishop/Jefferson Sub-district. Administrative Expenses will be paid entirely from the Oak Cliff Gateway Sub-district until the Oak Cliff Gateway Sub-district expires.

Annually, after the Total Increment has been deposited in the TIF fund, the fund will pay or set aside Administrative Expenses and the amount allocated for District-Wide Improvements (as described below). After Administrative Expenses and any District-Wide Improvement allocations have been paid or set aside, Developers approved for TIF funding from the Oak Cliff Gateway TIF will be eligible to receive their Individual Increment.

In addition to their Individual Increment, Developers will be eligible to receive a portion of any Shared Increment from within their sub-district. The Shared Increment allotted to an eligible Developer shall be a ratio of an eligible Developer's Individual Increment to the sum of the Individual Increments for all Projects eligible for reimbursement in that sub-district for that year.

Dallas Central Appraisal District (DCAD) certified values for each tax year, including the base year for the District, will be the data source used to determine values for the increment allocation procedure. Shared Increment will be allocated only to Projects that have been completed by May 1st of a given year, as evidenced by City approval of all supporting documents required in the development agreement. The City's Director of Economic Development will make the final determination in applying future available revenues in the TIF Fund among Projects.

Projects completed after May 1 will be eligible for TIF funding upon completion of all supporting documents provided that 1) unallocated increment revenue (Cash Available) is available in the District fund and 2) no other projects are complete.

Pre-existing Agreements

The Oak Cliff Gateway TIF District has two pre-existing development agreements. This Increment Allocation Policy does not affect the following development agreement:

- Development agreement for 1335 North Zang Boulevard, Zang Triangle, approved by City Council on November 9, 2009, by Resolutions Nos. 09-2816 and 09-2817. This Project shall be reimbursed according to its development agreement, which states the Developer is eligible for its own Individual Increment and 100% of the Shared Increment after administrative expenses only.

This increment allocation policy clarifies the funding allocation for the following development agreement:

Development agreement for 323 and 333 East Greenbriar Lane, Alexan Trinity, approved by City Council on November 14, 2012 by Resolutions 12-2783 and 12-2784. This project (when complete) shall be reimbursed according to its development agreement, which states the developer is eligible for increment per the Increment Allocation Policy in place at the time. Accordingly, upon completion, Alexan Trinity will be eligible for its own Individual Increment until Zang Triangle is completely reimbursed. Thereafter, until Alexan Trinity is completely reimbursed, Alexan Trinity will be eligible for its own Individual Increment plus a pro rata share of the OCG Shared Increment.

Each Project approved after the adoption of this increment policy will be eligible for its own Individual Increment. Developers will be eligible to receive a portion of any Shared Increment from their respective sub-district after Zang Triangle's agreement is satisfied.

For example, a Project in the Oak Cliff Gateway Sub-District (OCG) will be eligible for its own Individual Increment until Zang Triangle is completely reimbursed. After that point, the OCG Project will be eligible for its own Individual Increment plus a pro-rata portion of any Shared Increment created within the OCG Sub-district. Likewise, a Project in the Bishop/Jefferson Sub-district will be eligible for its own Individual Increment until Zang Triangle is completely reimbursed. After that point, the Bishop/Jefferson project will be eligible for its own Individual Increment plus a pro-rata portion of any Shared Increment created within the Bishop/Jefferson Sub-district only.

Please see Attachment A for examples of the increment allocation process for these pre-existing development agreements and future development projects receiving TIF funding in the future.

District-Wide Improvement Set-Aside

The TIF Board will set aside 15% of the Oak Cliff Gateway Increment for District-Wide Improvements after administrative expenses and obligations to Zang Triangle have been satisfied. Specific improvement projects are to be determined and the amount of this set aside will be reviewed annually based on updated financial projections and District needs. After the termination of the Oak Cliff Gateway Sub-district, 15% of the Bishop/Jefferson Sub-district will be set aside for District-Wide Improvements.

Catalyst Priority Project

The Bishop Arts Village Phase I project is being viewed as an important catalyst project for the Bishop/Jefferson Sub-district. As such it will be eligible for the following:

- Its own Individual Increment
- Its pro-rata share of Bishop/Jefferson Shared Increment per this allocation policy (after Zang Triangle is reimbursed)
- Up to 2/3 of the District Wide Set Aside (after Zang Triangle is reimbursed) until the Bishop Arts Village Phase I project is fully reimbursed.

Notes:

In general, the assignment of increment will be done annually, after each participating jurisdiction has deposited its annual increment into the TIF fund. However, upon completion of a Project, developers are eligible to be reimbursed for TIF eligible expenditures from Available Cash currently in the TIF fund, if any.

If the appraised value of the remaining property in the District decreases in value despite new development and as additional TIF Projects are approved and completed, the TIF subsidy for Projects that year may be reduced or unpaid. Similarly, if the sum of (1) Administrative Expenses, (2) District-Wide Improvements, and (3) the sum of the Individual Increments is greater than the Total Increment, then the Individual Increments shall be allotted on a proportional basis based on the ratio of each Developer's Individual Increment to the sum of the Individual Increments for that year. If there is no revenue available after Administrative Expenses and the District Wide Set Aside, there will be no increment payments that year.

At its discretion, the Oak Cliff Gateway TIF Board may make modifications or corrections to this Policy to increase its effectiveness.

Attachment A – Sample Illustration of Increment Allocation Process

Example 1 - Zang Triangle			
OCG Sub-district		Bishop/Jefferson Sub-district (no projects)	
Total Increment*	\$1,000,000	Bishop/Jefferson Increment*	\$0
Administrative Expenses	\$75,000		
Zang Triangle	\$925,000		
Cash available	\$0		

*all increment (minus admin and other projects' Individual Increment) flows to Zang Triangle until it is completely reimbursed

Example 2 – Zang, OCG Project B, and Bishop/Jefferson Project 1			
OCG Sub-district		Bishop/Jefferson Sub-district	
Total Increment*	\$1,000,000	Project 1 Individual Increment	\$175,000
Administrative Expenses	\$75,000		
Project B Individual Increment	\$80,000		
Zang Triangle	\$845,000		
Cash available	\$0		

*all increment (minus admin and other projects' Individual Increment) flows to Zang Triangle until it is completely reimbursed

Example 3 - OCG Project B and Bishop/Jefferson Project 1			
OCG Sub-district		Bishop/Jefferson Sub-district	
OCG Increment	\$1,000,000	Bishop/Jefferson Increment	\$225,000
Administrative Expenses	\$75,000	Project 1 Individual Increment	\$175,000
District Wide Improvements	\$150,000	Project 1 Shared Increment	\$50,000
Project B's Individual Increment	\$80,000		
Project B's portion of shared	\$695,000		
Cash available	\$0	Cash available	\$0

Example 4 - Project OCG Project B and C and Bishop/Jefferson Project 1 and 2			
OCG Sub-district		Bishop/Jefferson Sub-district	
Total Increment	\$1,000,000	Bishop/Jefferson Increment	\$500,000
Administrative Expenses	\$75,000	Project 1 Individual Increment	\$175,000
District Wide Improvements	\$150,000	Project 2 Individual Increment	\$175,000
Project B's Individual Increment	\$80,000	Project 1 Shared Increment	\$75,000
Project C's Individual Increment	\$160,000	Project 2 Shared Increment	\$75,000
Project B's portion of shared*	\$181,900		
Project C's portion of shared*	\$353,100	Cash available	\$0

*Project C is worth more than Project B in this example

Project 2 is worth the same as Project 1 in this example

Exhibit D
City of Dallas Tax Increment Finance Districts
Mixed Income Housing Guidelines
Adopted 2012

TIF Program Purpose

The purpose of the City of Dallas' TIF program is to promote development in underutilized and vacant areas through the use of public investment to attract private investment. The goals for the districts include improving the infrastructure within the districts and adding market rate apartments, single family homes, retail and commercial space, and office and professional space. Promoting housing for individuals and families at a variety of income levels is one of many policy considerations for the districts.

General definitions

Mixed income housing requires a minimum of 20% of all units to meet affordable housing standards.

Affordable housing units are those which are affordable to a household earning 80% or less of the median family income for the Dallas Area.

The 20% affordability requirement applies to both rental units and to units that are for sale. Requirements for for-sale units will be handled on a case-by-case basis. These guidelines primarily pertain to rental housing.

Affordability period and rent rates

Rental units must be affordable for a period of at least fifteen years, beginning from the date the project is complete per the development agreement.

Income levels and *maximum* rent will vary each year and are based on HUD's calculations for Area Median Family Income (AMFI), utility expenses, and Market Rent for the Dallas Area. Maximum rents are set each year at 30% of 80% of AMFI, including a utility allowance. Information pertaining to the maximum affordable rent and income levels that are currently in effect can be obtained from the Office of Economic Development.

Affordable units

A minimum of 20% of all occupied units shall be rented to qualifying households.

The developer may choose to offer any available unit to qualifying households. The 20% total requirement thus may be satisfied by any combination of units and need not apply to units of all sizes.

Affordable units shall be comparable in size and finish quality to market rate units and shall be dispersed throughout the development. Affordable units shall not be segregated into a particular section of the development and shall be a minimum of 500 square feet.

Qualifying households

A qualifying household is defined as a household making 80% or less of the AMFI. Developers may include wages, salaries, tips, commissions, social security income, etc. to certify a household's income. The method used to determine income should be the same for qualifying and market rate households.

Lease terms

Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease. Recertification is therefore only necessary during lease renewal.

At the end of the lease, the new lease rates will be set based on the household's current income at the time of renewal.

If the household no longer qualifies for an affordable unit, the lease may be renewed at market rate and another unit made available for a qualifying household in order to maintain the 20% affordability requirement.

Fees and leasing requirements

In general, all leasing requirements and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households and the developer may choose to set specific lease lengths for affordable units.

Reporting Requirements

Adequate reporting by developer, owner, or property manager shall be required to ensure that the City can appropriately monitor compliance with the guidelines. Projects receiving affordable housing funding under federal or state programs may choose to submit copies of compliance reports specific to the federal or state program in lieu of the TIF program report. Specific reporting requirements will be updated as necessary.

Compliance

The developer assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's TIF program, the developer agrees to report all information accurately and on time. At the City's request, the developer agrees to produce necessary documentation for determining full compliance with this program.

The affordability period shall be extended by six months for any number of units by which the affordable housing provided during a semi-annual period falls short of the number of units required to meet the affordable housing requirements. Noncompliance may result in termination of the development agreement, a reduction in TIF reimbursement, or other action as determined by the Office of Economic Development.

Request for waiver or minor modification of these requirements shall be submitted to the Office of Economic Development and will be negotiated on a project-by-project basis with the City and the County.

The City may consider retaining a percentage of TIF funding to ensure that in the event that the property is sold prior to the end of the 15 year compliance period, all subsequent owners will be required to provide affordable housing for the remainder of the affordability period.

The TIF program does not alter, modify, or reduce any affordable housing requirements, duties, or obligations imposed on the developer because of receipt of funds or other assistance from other programs or persons.

Alternative Methods

A developer may propose alternative methods of meeting the requirements such as providing equivalent affordable housing units in a comparable location within or adjacent to the TIF district. All proposed alternative methods will be considered on a case-by-case basis and must be approved by both the City and Dallas County.

Affirmative Fair Housing Marketing Plan

An affirmative fair housing marketing plan is required for all projects with a residential component that are supported with TIF funding. This requirement is detailed in each project's development agreement. Each project will be evaluated individually to ensure that it furthers affirmative fair housing goals.

Effective Date

These guidelines are effective in each district as of the date they are approved by that district's TIF board. The guidelines apply to developments with first occupancy on October 1, 2011 or later. These guidelines will not alter the terms of development agreements authorized prior to the approval of this document.

Guideline Modifications

As needed, the City may make modifications or corrections to these guidelines to increase their effectiveness. Where these guidelines may conflict with a district's Final Plan language concerning housing provisions, the Director of the Office of Economic Development will make a final determination of project requirements.