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June 24, 2020

WHEREAS, mixed-use and mixed-income projects require creativity and innovation; and

WHEREAS, there exists a need to support mixed-use and mixed-income projects in Dallas; and

WHEREAS, City deems it is a public purpose that comprehensive economic development at all levels is vital to supporting strong social and economic growth across Dallas; and

WHEREAS, providing space for creative projects that are designed to serve some of the hardest to reach populations in Dallas requires both innovation and flexibility; and

WHEREAS, City has adopted various economic and housing policies and created programs to promote affordable housing and supporting mixed use developments to serve its residents; and

WHEREAS, City owned land provides an opportunity to utilize community owned assets in a progressive manner to serve City's economic and housing public purposes; and

WHEREAS, staff has developed the Community Inspired Redevelopment Demonstration Project Program Statement to facilitate five demonstration projects as described in the program statement.

Now, Therefore,

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

SECTION 1. That the City Council hereby adopts the Community Inspired Redevelopment Demonstration Project Program Statement, attached as **Exhibit A**

SECTION 2. 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.



Community Inspired Redevelopment Demonstration Project Program Statement

Context

Comprehensive economic development at all levels is vital to supporting strong social and economic growth across Dallas. Often good ideas and concepts outside the norm struggle to get launched. Providing space for creative projects that are designed to serve some the hardest to reach populations in Dallas requires both innovation and flexibility. One of the most effective ways in doing so is to create an environment for supporting demonstration projects to test creative ideas and concepts. City-owned land provides such an opportunity to utilize community owned assets in a progressive manner.

Description

This program statement would permit up to five (5) non-profit led pilot projects for organizations interested in building community assets through the redevelopment of city-owned land, or through the long-term deed restriction of private land. Successful proposals will offer creative, inclusive, and integrated mixed uses to achieve multiple city needs. The program shall be jointly managed by the Office of Economic Development, the Housing and Neighborhood Revitalization Department, and the Office of Homeless Solutions. The City is interested in projects that test the boundaries of creativity with an emphasis on both social and economic impact. The acceptance of proposals is an open year-round process, and project applications will be reviewed in the order that they are received.

Eligible Applicants

Non-profit entities, consortiums of non-profit entities, and partnerships between private developers and non-profit entities may present unsolicited proposals for community asset demonstration projects. Organizations should have demonstrable experience in developing the type of project proposed. Entities who have outstanding city liens or tax liens, who are party to a lawsuit against the city, who are currently in default under any other agreement with the city, or who have in the previous 5 years been party to a contract with the city that was terminated due to default are not eligible for this program. City of Dallas employees and officers are not eligible for this program.

Eligible Land

- City of Dallas land to be sold or leased for demonstration projects in conformance with state law.
- Privately-owned land where the proposed uses serve the program's public purpose objectives, so long as a deed restriction on the site is established for at least a 30-year period as described herein.

Eligible Uses

Demonstration projects must comply with both of the following as part of the proposal's planned uses:

At least one of the following:

- Senior Housing and/or Affordable Housing (serving 0-120% area median income)
- Homeless housing and/or services (including day services for homeless populations)

AND

At least two of the following:

- Retail/Commercial/Incubation
- Workforce Services/Training Services
- Medical/Health Services
- Educational Institutions and Services

The applicant should submit a well-thought development concept proposal for review. The proposal should detail the following:

- Proposed development team with detailed capacity/experience communicated
- Proposed city-owned or privately-owned site
- Proposed creative development concept
- Population to be served
- Discussion of proposed project uses
- Discussion of proposed sources and uses to be explored
- Projected number of jobs/wages and housing units to be created
- Detailed project timeline

Supplemental Documents Needed

- Operational information for each proposed use.
- General estimates on floor areas of different land uses and numbers of living units.
- General description of different living units (bathrooms, kitchen, bedrooms, floor area).
- Determine whether structures are intended to be permanent or temporary
- Determine type of foundations being proposed
- Determine construction codes structures with different uses will be designed to meet
- If unique or alternative building materials and/or construction techniques are proposed, determine whether they are being designed to a code or pursuing an alternative certification
- Determine whether variances or alternatives to required parking are needed
- Anticipated increase, if any, of impervious area on site.

The proposal shall be reviewed by an internal team consisting of staff from Housing and Neighborhood Redevelopment Department, Office of Economic Development, the City Attorney's Office, the Office of Homeless Solutions, the Sustainable Development and Construction Department, and the Department of Public Works.

Option Agreement and Deed Restrictions

For proposals requesting city-owned land, once staff confirms that proposal elements are complete, that the applicant is eligible, and that the requested site is available for sale or lease in accordance with state and local law, staff shall prepare a city council resolution to authorize a 12-month option agreement between the city and the applicant with a one-time up to six-month extension.

The purpose of the option agreement shall be to give the applicant the time and ability to develop their project and time to secure funding before returning to the City to discuss executing on a sale or lease agreement. During the option period the terms of any sale or lease of the land shall be determined based on the non-profit's final submitted proposal and the nexus between the proposed population served in tandem with jobs created and or housing units provided. All proposed sale or lease agreements shall be subject to City Council approval.

Proposers should expect deed restrictions to apply to the city-owned or privately-owned land utilized for demonstration projects. The deed restrictions state a period of time that units set aside for households earning 0% - 120% of Dallas Area Median Income shall remain affordable and other use restrictions must be maintained. The length of time of the deed restrictions for city-owned land will be determined based on funding source, proposed use, and level of city assistance provided to the project. The length of time of the deed restrictions for privately-owned land will be 30 years.

Option Period Expectation: During the 12-month option period, the applicant shall work on the following:

1. Complete the project site plan and present the development plan to the directors of the Department of Planning and Urban Design and the Office of Economic Development for approval. If requested by either director, the project shall also be reviewed by the Urban Design Peer Review Panel.
2. Assemble a project budget, project sources and uses of financing, and a 10-year operating proforma. The project budget should describe the land interest acquisition process being requested and any financial gap/assistance requested.
3. Confirm that the proposed uses are compliant with existing zoning. If not, submit a zoning application to the Sustainable Development and Construction Department. If site needs to be platted, submit a plat application to the Sustainable Development and Construction Department.

4. Determine that the proposed uses are supported on the site. Typical methods to determine this include market studies, community meetings, review of zoning regulations, and review of existing land use plans.

Full Application. At or before the end of the option period, the applicant shall submit a full application and proposal, including any request for incentives, to the Office of Economic Development. The application form is located here. Confidential financial information about the applicant may be withheld from the application and submitted directly to the third-party underwriter, if desired. Possible incentive types and funding shall include all programs administered by the three managing departments.

For projects on privately-owned land the applicant will follow the identical process as city-owned land applicants except for elements relating to the option process.

Project Approval. If staff recommends the project for approval, one or more resolutions will be brought to the City Council for approval of sale/lease terms, incentive terms, rezoning, or other relevant actions.