

Memorandum



DATE March 25, 2024

CITY OF DALLAS

Honorable Members of the City Council Housing and Homelessness Solutions
TO Committee: Jesse Moreno (Chair), Cara Mendelsohn (Vice Chair), Zarin D. Gracey,
Chad West, Gay Donnell Willis

SUBJECT **Update on the 1,000-Unit Housing Challenge**

The purpose of this memorandum is to provide an update on the 1,000-Unit Housing Challenge memorandum entitled *“Mixed-Income Housing Challenge to Transit-Oriented Developments for Post-COVID-19 Economic Development Recovery Efforts”* issued on July 1, 2020 by the chairpersons of the Housing and Homelessness Solutions Committee, Transportation and Infrastructure Committee, Economic Development Committee, and Workforce, Education, and Equity Committee of the Dallas City Council.

To combat the ongoing challenge of addressing the lack of workforce housing post-COVID-19, the City of Dallas and DART was tasked to work collaboratively to meet the following objectives: 1) utilize available City or DART land within one-half mile of up to ten DART Transit stations, 2) produce mixed-income housing developments with no less than 1,000 affordable housing units serving individuals with income levels between 30-120% of Area Median Income (AMI), and 3) issue construction permits on all projects by August 30, 2021.

City-owned Sites

For Phase I of the City's efforts to meet the Housing Challenge, after identifying developable City-owned sites in January 2021, the City issued a Request for Proposals (RFP) for five City-owned properties located at 6601 South Lancaster Road, 4515 South Lancaster Road, 1900 Wheatland Road, 3015 Al Lipscomb Way, and 3039 South Lancaster Road. A total of three proposals were submitted and received the highest score: 1) Lavoro Acquisitions, LLC submitted an application for 4515 South Lancaster Road; 2) Brinshore Development, LLC submitted an application for 3015 Al Lipscomb Way; and 3) Innovan Neighborhoods Consulting, LLC submitted an application for 6601 South Lancaster Road. No proposals were received for 1900 Wheatland and 3039 South Lancaster. On May 26, 2021, the Dallas City Council authorized the city manager to enter into and advance negotiations for individual development agreements and interim of final development agreements, execute right of entry and due diligence agreements for each City-owned property related to the 1,000-Unit Housing Challenge.

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4515 South Lancaster Road

On June 21, 2022, the Dallas Public Facility Corporation (DPFC) adopted a resolution declaring its intent to enter into a developer agreement and subsequently executed a term sheet with Lavoro Acquisitions, LLC. The developer proposed to develop Trove Valor, a new multifamily development consisting of 332 residential units to include 26 studio units, 193 one-bedroom units, 106 two-bedroom units, and seven three-bedroom units, and Class A common area amenities. Upon completion of the new construction, 40% of the units were planned for households earning less than 80% of AMI, 10% of the units were planned for households earning less than 60% of AMI, and 50% of the units at market rate rents. Currently, this project has been cancelled by the DPFC due to a key principal leaving the firm and subsequent denial of request to assign rights to another entity not allowed under the City's procurement rules.

3015 Al Lipscomb Way

During the 2022 9% Competitive Housing Tax Credit cycles, Brinshore Development, LLC submitted an application for resolution of support and gap financing to develop Malcolm's Point Scholar House, an 80-unit multifamily development to include 60 two-bedrooms and 20 three-bedroom units. Upon completion, 20 units were planned for households earning 0%-30% of AMI, 18 units planned for households earning 31%-50% of AMI, 20 units planned for households earning 51%-60% of AMI, and 12 market rate units. Due to the close proximity to heavy industrial adjacent to a multifamily development, the developer was unable to achieve the required points by the Texas Department of Housing and Community Affairs resulting in the denial of competitive tax credits.

6601 South Lancaster Road

The 6601 S. Lancaster Road development by Innovan Neighborhoods proposes a mixed-income community with 203 units of market rate and workforce housing aligning with the UNT-Dallas Area Plan. The project will include for-sale homes for wealth-building opportunities, an amenity center, scenic views, and is located less than a half mile from the Camp Wisdom DART Station. Additionally, the development will provide much needed housing options to nearby employment centers (e.g., UNT Dallas, Paul Quinn College, and the VA Hospital). The developer has made numerous changes to the original May 2021 proposed site plan based on community feedback. Current product types include 118 two-bedroom/2.5 bath townhomes, 66 three-bedroom/2.5 bath townhomes, and 19 four-bedroom/3.5 bath garden home (single-family detached). Currently, the developer has submitted a zoning application with the requested changes based on community feedback to include at least 10% of greenspace, access to walking path, two-car garages, and a homeowner's association. The developer is constantly working with City staff to ensure all requirements are met in the site plan design to include

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contributing to upgrades on Crouch Road that will benefit the community overall. Additional feedback on improvements from the community is ongoing.

Should you have any questions or require additional information, please contact me or Cynthia Rogers-Ellickson, Director (I), Department of Housing & Neighborhood Revitalization cynthia.rogersellic@dallas.gov or 214-670-3601.



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Assistant City Manager

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