

January 28, 2026

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) provides grant funds through the Community Development Block Grant (“CDBG”) according to the terms of 24 C.F.R. part 570, to provide economic and community development projects and services including public facility improvements; and

WHEREAS, on June 12, 2024, City Council adopted the City’s FY 2024-25 Consolidated Plan Budget, which includes CDBG grant funds from HUD in the amount of \$14,292,354, of which \$650,000.00 remains available for non-profit public facility improvement projects, by Resolution No. 24- 0873; and

WHEREAS, Austin Street Center operates a facility within the city limits of Dallas and provides public services to low-and-moderate income residents of Dallas; and

WHEREAS, On April 17, 2025, the City issued a Notice of Funding Availability (“NOFA”) (BMS-2025-00027618) under the Community Development Block Grant (“CDBG”) for non-profit public facility improvement projects funding; and

WHEREAS, in response to the City’s Notice of Funding Availability, Austin Street Center submitted a proposal requesting support for the rehabilitation of its property located at 2929 Hickory Street, Dallas, Texas 75116 (the “Property”). The proposed improvements aim to enhance the campus facilities and ensure the continued operation and effectiveness of its Emergency Shelter and Crisis Services Program (the “Project”); and

WHEREAS, the proposed Project will expand Austin Street Center’s capacity to serve Dallas’ unsheltered homeless population by converting its underused 29,000-square-foot facility into a year-round operation, providing emergency shelter and crisis services for approximately 350 vulnerable adults annually, particularly those with mental health challenges, while supporting law enforcement with alternative crisis response options; and

WHEREAS, the planned site improvements will result in a substantial rehabilitation of the facility, and under federal regulations, the property must continue to operate as an emergency shelter serving individuals experiencing homelessness for at least five (5) years following the completion of the rehabilitation.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to execute **(1)** a secured zero percent interest forgivable loan agreement with Austin Street Center (the “Borrower”), approved as to form by the City Attorney, in the amount of \$650,000.00 to provide for substantial rehabilitation of a property located at 2929 Hickory Street, Dallas, Texas 75226 (the “Property”),

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SECTION 1. (continued)

which provides the Emergency Shelter and Crisis Services Program for individuals experiencing homelessness for the period from February 1, 2026 through January 30, 2027; and **(2)** any and all terms, conditions, and documents required by the forgivable loan agreement, approved as to form by the City Attorney.

SECTION 2. That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$650,000.00 under the Community Development Block Grant to Austin Street Center from FY 2024-25 CDBG Reprogramming No. 1 Fund, Fund 23R1, Department BMS, Unit 864K, Object 3015, Encumbrance/Contract No. BMS-2025-00027618, Commodity 95237, Vendor VC0000011655.

SECTION 3. That in addition to the conditions set out above, the forgivable loan agreement is hereby expressly made subject to the following, which must be performed or occur:

- a. The Borrower shall undertake substantial rehabilitation of the property located at 2929 Hickory Street, Dallas, Texas 75226, to support the operation of the Emergency Shelter and Crisis Services Program (the "Project"). The rehabilitation will include facility improvements such as structural repairs, limited demolition, roof and system upgrades, heating, ventilation, & air conditioning, plumbing, and electrical work, as well as installation of new interior finishes, fixtures, and furnishings. Improvements will also address Americans with Disabilities Act accessibility, fire and safety compliance, and the addition of office and exam room space to better serve clients. City funding in the amount of \$650,000 will be used to cover eligible costs including development fees, permits and fees, appraisal costs, architectural and engineering design, demolition, inspections, concept and specialty design services, and necessary site improvements associated with the Project.
- b. The Borrower shall execute a deed of trust to the City of Dallas.
- c. The Borrower shall execute deed restrictions on the property located at 2929 Hickory Street, Dallas, Texas 75226, which has been rehabilitated with loan funds under the loan agreement. The restriction shall require that the facility be maintained and operated to provide emergency shelter and crisis services to individuals experiencing homelessness for a minimum period of five years, beginning upon completion of the substantial rehabilitation.
- d. The lien and deed restrictions will be released upon successful completion of the rehabilitation in accordance with the forgivable loan agreement, and the provision of emergency shelter and crisis services to individuals experiencing homelessness for a minimum period of five (5) years, after completion of the substantial rehabilitation.

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SECTION 3. (continued)

- e. That the loan may be forgiven five years after completion of the substantial rehabilitation, upon verification of compliance with all terms and conditions of the required performance period and loan documents by Borrower.

SECTION 4. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute subordination and releases of liens, and terminations of deed restrictions on the property located at 2929 Hickory Street, Dallas, Texas 75226, upon the Borrower's compliance with all terms and of the loan agreement and any other loan documents.

SECTION 5. That the City Manager is hereby authorized to execute change orders or amendments to the loan agreement for time and to commit and expend funds in a timely manner to meet federal and/or state requirements when necessary.

SECTION 6. That the City Manager is hereby authorized to provide additional information and take other actions or make adjustments relating to the grant funds as may be necessary to satisfy HUD requirements.

SECTION 7. That the City Manager is hereby authorized to reimburse to HUD any CDBG expenditures identified as ineligible. The City Manager shall notify the appropriate City Council Committee of expenditures identified as ineligible not later than 30 days after the reimbursement.

SECTION 8. That the City Manager shall keep the appropriate City Council Committee informed of all final HUD monitoring reports no later than 30 days after the reimbursement.

SECTION 9. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to these transactions until such a time as the documents are duly approved by all parties and executed.

SECTION 10. 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 resolved.