

May 27, 2026

**WHEREAS**, the City of Dallas ("City") recognizes the importance of its role in local economic development and the provision of affordable housing; and

**WHEREAS**, on May 26, 2021, the City Council adopted the City of Dallas Economic Development Policy 2022-2032 ("Policy") by Resolution No. 21-0927, as amended; and

**WHEREAS**, on January 25, 2023, in furtherance of the new Policy goals, the City Council authorized a new Economic Development Incentive Policy ("Incentive Policy") effective for the period January 1, 2023, through December 31, 2024, by Resolution No. 23-0220, as amended; and

**WHEREAS**, the Incentive Policy establishes certain guidelines and criteria for the use of City incentive programs for private development projects and establishes programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380 of the Texas Local Government Code; and

**WHEREAS**, on January 8, 2025, the City Council adopted an amended Incentive Policy effective for the period January 1, 2025, through December 31, 2026, by Resolution No. 25-0162, and as most recently amended on January 28, 2026 by Resolution No. 26-0314; and

**WHEREAS**, Section 253.0125 of the Texas Local Government Code authorizes a municipality to transfer to an entity real property for consideration described by that section, to promote a public purpose of the municipality; and

**WHEREAS**, Section IV(4)(b)(ii) of the Incentive Policy authorizes the conveyance of City-owned property with the approval of the City Council if a property has been offered for conveyance via a public solicitation process at least twice in the past 10 years, but negotiations with respondents have not led to an executed development agreement; and

**WHEREAS**, the City of Dallas owns approximately 7.33 acres of vacant land generally located west of S. Lancaster Road, south of Mentor Avenue, and east of Denley Drive ("Property"), consisting of 30 individual lots/parcels of land, zoned Planned Development District No. 855, and located approximately 100 feet from the Dallas Veteran's Administration Medical Center and approximately 50 feet from DART's VA Medical Center Station, as depicted in **Exhibit A**; and

**WHEREAS**, the City formally issued Requests for Proposals in 2016, 2019, and 2021 to solicit private development proposals for the Property, and none of the RFPs resulted in the execution of any development agreement or any development project; and

**WHEREAS**, over the past six months, the City has been exploring the possibility of a new veterans-focused, non-profit transitional housing development at the Property led by Veterans Community Project; and

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**WHEREAS,** Veterans Community Project (VCP) is a national 501(c)(3) non-profit organization founded by combat veterans and dedicated to fixing veteran homelessness; and

**WHEREAS,** VCP builds and operates specialized communities (villages) of small homes (commonly called tiny homes) with on-site, comprehensive case management services, helping veterans transition from homelessness to permanent, sustainable, long-term housing; and

**WHEREAS,** VCP proposes to develop a VCP Village in Dallas, a community of approximately 50 stand-alone residential units with an appearance of small cottage homes, a community center, and on-site supportive services; and

**WHEREAS,** the homes will be site-built on permanent foundations with full bathrooms, dedicated sleeping spaces, efficiency kitchens, and covered porches, and will be available at no charge to qualified veterans experiencing homelessness; and

**WHEREAS,** City staff recommends the authorization of a Chapter 380 economic development agreement with Veterans Community Project and/or its affiliates for the conveyance (fee simple estate) of the Property to Veterans Community Project in consideration of in consideration for the development and operation of a transitional housing community for veterans experiencing homelessness, consisting of small residential units, a community center, and on-site supportive services ("Project"), in accordance with the Economic Development Incentive Policy and Section 253.0125 of the Texas Local Government Code; and

**WHEREAS,** in furtherance of its governmental function as a political subdivision of the State of Texas, and consistent with the authority granted under Chapter 380 of the Texas Local Government Code, it is in the City's best interest to enter into a Chapter 380 economic development agreement as part of the City's ongoing efforts to promote local economic development and provide new affordable housing units within the City; and

**WHEREAS,** the City Council finds that the City is: (i) acting in its governmental capacity and its performance hereunder is pursuant to authority granted by the State of Texas, its sovereign or for the benefit of the sovereign; (ii) authorizing this agreement to primarily benefit the public at large; or (iii) performing functions closely related to or essential to the performance of governmental activities; and

**WHEREAS,** on May 9, 2024, the City's Veteran's Affairs Commission received an informational briefing regarding VCP; and

**WHEREAS,** on May 4, 2026, the Economic Development Committee of City Council was briefed regarding the Project.

**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 a Chapter 380 economic development agreement and all other necessary documents ("Agreement") with Veterans Community Project, a non-profit organization, and/or its affiliates ("VCP" or "Developer") approved as to form by the City Attorney, including the conveyance (fee simple estate) of approximately 7.33 acres of City-owned real property located west of S. Lancaster Road, south of Mentor Avenue, and east of Denley Drive ("Property") and depicted in the attached **Exhibit A**, in consideration for the development and operation of a transitional housing community for veterans experiencing homelessness, consisting of small residential units, a community center, and on-site supportive services ("Project"), in accordance with the Economic Development Incentive Policy.

**SECTION 2.** That the Agreement shall include the following key requirements:

- 1) Minimum Investment. Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$10,000,000.00 in eligible investment expenditures for delivery of the Project, which may include both cash expenditures and the fair market value of in-kind contributions, for delivery of the Project, including the sum of all costs for environmental remediation (if any), demolition (if any), off-site infrastructure (if any), sitework, building construction, furniture, fixtures, equipment, and professional fees (e.g., architecture, engineering, landscape architecture, interior design, surveying, environmental remediation). Construction management costs may be included in the Minimum Investment calculation if services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization and other similar costs shall not be considered an eligible investment expenditure. With the exception of professional fees, environmental assessments, and other eligible due diligence costs, and documented in-kind contributions no expenditures made prior to City Council authorization of the Agreement shall count towards the required Minimum Investment calculation. The fair market value of in-kind contributions, including donated materials, labor, professional services, or equipment, shall be included in the Minimum Investment calculation, provided that such value is (i) commercially reasonable, (ii) supported by third-party documentation, such as invoices, bids, or written valuation statements, and (iii) acceptable to the Director, such acceptance not to be unreasonably withheld, conditioned, or delayed.
- 2) Minimum Project Requirements. The Developer shall accept conveyance of the

**SECTION 2.** (continued)

Property from the City and shall design, fund, construct, and operate a VCP Village that will directly serve veterans experiencing homelessness by establishing a transitional housing village and offering on-site wrap-around services to those veterans. The “Minimum Project Requirements” shall include:

- (a) City’s conveyance of the Property to Developer (fee simple estate).
- (b) Developer’s construction of site improvements including grading, paving, utilities, surface parking improvements, irrigation, landscaping, hardscaping, lighting, security fencing, and perimeter streetscape improvements necessary to deliver the specific elements described below in (2)(c), (2)(d), and (2)(e).
- (c) Developer’s new ground-up construction of a minimum 50 stand-alone universally designed residential units with an appearance of small cottage homes (site-built on permanent foundations with full bathroom, dedicated sleeping space, efficiency kitchen, and a covered porch). There shall be at least two (2) unit types: individual studio (minimum 240 square feet) and family-size (minimum 320 square feet).
- (d) Developer’s new ground-up construction of a universally designed community center (minimum 6,000 square feet) to include office and caseworker space, a fellowship hall, conference rooms, restrooms, a dog washing room, and flex space.
- (e) Developer’s construction of the following Project amenities: gazebo/open air shade structure, barbeque grilling area, walking path, and a small dog park.
- (f) Developer’s operation of the transitional housing village to directly serve veterans experiencing homelessness by offering on-site wrap-around services to those veterans.

**SECTION 3.** That prior to the City’s execution of the Agreement, the Developer shall:

- 1) secure (through charitable donations, philanthropic contributions, and other non-City sources) and provide evidence to the satisfaction of the Director of at least four million dollars (\$4,000,000.00) of the construction funding needed for the Project (with an estimated budget based on final design development plans), and

**SECTION 3.** (continued)

- 2) obtain Director's approval of a proforma business plan demonstrating financial feasibility of the Project's operations over the Compliance Period without the need of any financial support from the City; provided, however, that nothing herein shall prohibit Developer from seeking or accepting grants, contracts, or other financial support from the City that may become available in the future. The business plan shall include an operational reserve to support the operations and maintenance of the buildings of \$100,000.00 in year one and increasing 3% annually. The business plan shall also include a replacement reserve of \$50,000.00 in year one and increasing 3% annually.

**SECTION 4. Right of Entry and Due Diligence.** That immediately upon authorization of the Agreement by City Council, City shall provide Developer a right-of-entry for purposes of conducting due diligence on the Property. Developer shall conduct due diligence activities at Developer's own expense.

**SECTION 5. Property Acquisition and Right-of-Reversion.** That Developer shall close on the acquisition of the Property in an "as is" condition by December 31, 2027. A Deed Without Warranty shall be executed and shall provide that the conveyance of the Property to the Developer is subject to the terms of the Agreement, including a right-of-reversion in favor of the City in the event the Developer fails to deliver the Project in accordance with the Agreement or fails to continuously use the Property to promote the public purpose described in the Agreement. The City's right-of-reversion shall remain in place for the duration of the Compliance Period as defined herein. Upon the expiration of the Compliance Period, the City shall provide the Developer with a release of the right-of-reversion. Upon transfer of ownership of the Property from the City to the Developer, the Developer shall become responsible for maintaining the Property in compliance with all applicable City, state, and federal regulations, including maintaining the Property free of high weeds and litter as well as securing the Property from trespass.

**SECTION 6. Pre-Development, Permitting, and Building Permit Deadline.** That Developer shall be responsible for rezoning the Property (if necessary), replatting the Property (if necessary), obtaining alley right-of-way abandonments (if necessary), and obtaining a building permit for the Project (including all buildings) by December 31, 2027. Developer shall conduct predevelopment, permitting, and building permit application activities at Developer's own expense.

**SECTION 7. Substantial Completion Deadlines.** That Developer shall complete the Minimum Project Requirements described in Section 2(2)(a-d) and (f) herein, and all portions of the buildings shall be occupiable by December 31, 2029, as evidenced by certificates of occupancy, certificates of substantial completion, and/or similar documentation issued by the City ("Substantial Completion"). Developer shall complete the Minimum Project Requirements described in Section 2(2)(e) as evidenced by approval by the Director by December 31, 2030.

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**SECTION 8. Public Access to Infrastructure not owned by City.** That prior to completion of the Project and at no cost to City, Developer shall provide reasonable public access easements, deed restrictions, or other instruments reasonably acceptable to the Director if any street and utility infrastructure improvements associated with the Project remain in non-City ownership but require public access.

**SECTION 9. Operating and Maintenance Agreement for Non-Standard Public Improvements.** That if applicable, and prior to Project completion, Developer shall execute an Operating and Maintenance Agreement (defined below) for any Non-Standard Public Improvements (defined below) associated with the Project (the “Operating and Maintenance Agreement”), and if necessary, obtain a license from City for the purpose of maintaining any improvements in the public right-of-way. “Non-Standard Public Improvements” shall be defined as those public infrastructure improvements which exceed the City’s standard design requirements, as determined by the City, including specially designed street/pedestrian lighting, brick pavers, bollards, sidewalks, public art, fountains, landscaping and irrigation. If Developer fails to maintain such public improvements after notice from City, City may, at its sole option, perform such maintenance and invoice Developer for the costs, which costs Developer shall pay within thirty (30) days of notice. Developer shall submit documentation evidencing that an executed Notice of Operating and Maintenance Agreement specifying the existence of an executed Operating and Maintenance Agreement for the Non-Standard Public Improvements was recorded with the Dallas County Clerk’s Office. The term for the Operating and Maintenance Agreement shall be twenty (20) years. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto and may be assignable, subject to Director approval (not to be unreasonably withheld, conditioned, or delayed), in whole or in part, to a new owner of all or a portion of the Project.

**SECTION 10. Small Business Inclusion in Construction.** That Developer shall make a good faith effort to comply with the City’s Developing Regional & Inclusive Vendor Enterprises (“DRIVE”) Policy goal of 33% participation by certified Small Business Enterprises (“SBE”) for all hard construction expenditures (i.e. public and private improvements) directly paid by Developer for the Project, to the extent such expenditures are performed through contracted services. Developer’s compliance with the DRIVE Policy shall be based solely on the value of work procured through third-party contracts and shall exclude in-kind contributions, donated materials, volunteer labor, and other non-contracted services. Developer shall meet all applicable process and reporting requirements of the DRIVE Policy as administered by the City’s Office of Procurement Services (“OPS”). DRIVE reporting requirements and forms will be incorporated into the Agreement, and compliance shall be coordinated with OPS.

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**SECTION 11. Quarterly Reporting.** That until all buildings in the Project have passed final building inspection and all required paperwork documenting Project completion has been submitted to the OED Director, Developer shall submit to the Director quarterly status reports for ongoing work on the Project (including any public improvements). Such status reports shall be due within thirty (30) calendar days following the end of each calendar quarter after the City Council's authorization of the Agreement.

**SECTION 12. Design.** That prior to December 31, 2026, Developer shall present the Project to the Urban Design Peer Review Panel ("UDPRP"). Developer's presentation to UDPRP shall include a set of design development plans, including a site plan, landscape plan, and building details for the community center and at least two home types (including floor plans, exterior elevations, framing plan, materials plan, building sections, foundation plan, structural plan). Following the UDPRP's review of the Project, the Developer shall incorporate the UDPRP's recommendations into the final design development plans for the Project to the maximum extent practicable taking into account cost, constructability, and consistency with Developer's programmatic model.

Prior to the submittal of construction plans as part of a permitting application to the City's Planning and Development Department, Developer shall submit a set of the construction plans to City staff (Preservation and Urban Design staff of the Planning and Development Department as well as the OED Director) for a final staff review to ensure that the Project will be constructed in substantial conformance with the final design development plans. Preservation and Urban Design staff of the Planning and Development Department as well as the OED Director shall complete the final staff review of the construction plans within ten (10) business days of submission by Developer.

Allowable minor modifications to the Project's design may include those required to comply with development regulations administered by the City's Planning and Development Department or other City departments, federal, state and local laws, codes and regulations. Prior to making any Project design changes that would be considered minor in nature, and that materially affect the exterior design or site layout, Developer shall notify the OED Director and submit proposed changes to the OED Director for review and approval. OED Director shall complete the review of the proposed changes to ensure substantial conformance with the final design development plans within ten (10) business days of submission by Developer.

**SECTION 13. Local Hiring.** That for all permanent non-construction employment opportunities created by operation of the Project, Developer shall submit to the City a written plan ("Local Hiring Plan") describing (1) how Developer shall use and document commercially reasonable efforts to recruit and hire residents and veterans of the city of Dallas and (2) how Developer shall cause any non-residential tenants in the Project to use and document commercially reasonable efforts to recruit and hire residents and veterans of the city of Dallas. At a minimum, the Local Hiring Plan shall describe how Developer and any non-residential tenants will target local recruitment through local

**SECTION 13.** (continued)

advertisement, community outreach, local engagement, participation in local job fairs, and/or coordination with local hiring sources. The Local Hiring Plan shall be subject to approval by the OED Director to ensure that employment opportunities are targeted to Dallas residents and veterans and that commercially reasonable efforts are made to promote the hiring of neighborhood residents and veterans for any new permanent non-construction jobs created. Within thirty (30) calendar days of OED Director's receipt of the proposed Local Hiring Plan, the OED Director shall either approve the Local Hiring Plan or give written notification to the Developer of the OED Director's disapproval, specifying the reasons for such disapproval. Compliance with the Local Hiring Plan shall be a material requirement of the Agreement.

**SECTION 14.** Minor Modifications. That the Director may authorize minor modifications to the Project and an extension of the material dates and deadlines by up to six (6) months for just cause except as provided in by Force Majeure (defined herein).

**SECTION 15.** Performance Security and Compliance Period. That, upon Substantial Completion, the Developer shall be required to operate the Project for no less than twenty (20) years ("Compliance Period"). The Developer's performance obligations of the Project and the City's right-of-reversion shall be secured by a deed of trust, deed restrictions, operating covenants, or other security instruments required by the City Attorney, thereby limiting the Property use to transitional housing and wrap-around support services for veterans experiencing homelessness and other related activities in favor of the City and recorded in the Real Property Records of Dallas County against Developer's interests in the Property within fourteen (14) business days of execution of the Agreement. Failure to maintain the Property and operate the Project during the Compliance Period in accordance with the Agreement and the security instrument(s) shall be an event of default, and an uncured default may result in enforcement of the City's interests or any other action allowed by law.

**SECTION 16.** Annual Reporting/Access to Records. That during the Compliance Period, Developer shall comply with the following annual reporting requirements including annual audited financial statements (income statement, balance sheet, statement of cash flows) and programmatic outcomes and impacts specific to Project. Developer shall, upon advanced request, allow City staff to review files and documents related to the Project and to monitor and confirm compliance with the terms and conditions of the Agreement.

**SECTION 17.** Sale of the Property/Assignment of Agreement. That Developer shall not sell the Property or assign its rights, duties, and obligations under the Agreement in whole or in part without advance written approval by the City. Developer may assign its rights, duties, and obligations under the Agreement only to a directly affiliated entity that is owned or controlled by Developer or is under common ownership or control with Developer.

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**SECTION 18. Force Majeure.** That notwithstanding any other provision herein to the contrary, in the event the Director determines, after being provided written notice by Developer, that the Project has been delayed as a result of Force Majeure, Developer shall have additional time to complete the Project, as may be required in the event of Force Majeure, so long as Developer is diligently and faithfully pursuing completion of the Project, as determined by the Director. Extension of Project deadlines as a result of Force Majeure shall not require City Council approval. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of Developer, as reasonably determined by the Director, including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal, or municipal government, or de facto governmental action, fires, explosions, floods, pandemics, epidemics, or viral outbreaks, shortages in labor or materials, delays in or damages caused by delivery of materials, and strikes. In the event of Force Majeure, Developer shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance, or to the construction requirement, shall be extended for a period equal to the period of time Developer was delayed, subject to Director's approval.

**SECTION 19.** That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

**SECTION 20.** 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.