Memorandum

CITY OF DALLAS

DATE January 26, 2026

TO Honorable Members of the Housing and Homelessness Solutions Committee: Cara Mendelsohn (Chair), Lori Blair (Vice Chair), Adam Bazaldua, Zarin Gracey, Jesse Moreno, Jaime Resendez, Gay Willis

SUBJECT **February 11, 2026 City Council Agenda Item #26-259A, Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Trinity Basin, a mixed-income, multifamily development to be located at 301 and 808 N Ewing Ave, Dallas, Texas 75203 (Project); and enter into a seventy-five-year lease agreement with Savoy Equity Partners, LLC (Applicant) or its affiliate, for the development of the Project.**

The purpose of this memorandum is to brief the Housing and Homelessness Solutions (HHS) Committee of an upcoming agenda item on February 11, 2026, to authorize the Dallas Public Facility Corporation (DPFC) **(1)** to acquire an improved property, develop and own Trinity Basin, a 290 unit mixed-income multifamily development to be located at 301 and 808 North Ewing Ave, Dallas, Texas 75203 (Project); and **(2)** enter into a seventy-five-year lease agreement with Savoy Equity Partners, LLC (Applicant) or its affiliate, for the development of the Project.

BACKGROUND

The City is authorized by the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code, as amended (Act), to create a public facility corporation for the purposes established in the Act, including the financing, acquisition, construction, and leasing of public facilities under the Act. On June 24, 2020, by Resolution No. 20-1035, City Council authorized the creation of the Corporation pursuant to the Act to further the public purposes stated in the Corporation's Articles of Incorporation and Bylaws, which were subsequently amended by Resolution No. 22-1194 (Bylaws). Section 6.2 of the Corporation's Bylaws requires City Council approval by written resolution prior to entering into any agreement that would result in a property tax exemption. Per Section 7.3 of the Bylaws, any public facility related to multifamily residential development of the Corporation shall not proceed unless (1) the development of the public facility could not be feasible but for the Corporation's participation, and (2) the development of the public facility is in furtherance of the Dallas Housing Resource Catalog (DHRC).

Savoy Equity Partners, LLC (Applicant), a Texas limited liability company, submitted an application to the Corporation for the development of Trinity Basin, a 290-unit acquisition rehabilitation multifamily development to be located at 301 and 808 N Ewing Ave, Dallas TX 75203 (Project). The DPFC will own the site and improvements and lease the Project back to the Applicant or its affiliate. Pursuant to the Act, any public facility owned by a public facility corporation is exempt from all ad valorem taxes. To qualify as a public facility pursuant to the Act, a multifamily property must reserve at least 40% of the units for residents earning at or below 80% of the Area Median Income (AMI) and at least 10% of the units for residents earning at or below 60% of the AMI. The Project will reserve 10% of the units (33 units) at below 60% AMI, 40% of the units (116 units) at below 80% AMI and the remaining 50% of the units (141 units) will be at a fair market rate.

On October 28, 2025, the DPFC Board of Directors adopted a resolution authorizing the negotiation and execution of a term sheet for Trinity Basin in partnership with the Applicant. This Applicant is a Texas-based limited liability company with real estate development and multifamily construction experience. This Applicant is in process of rehabilitating and developing 21 other properties, branded as “Bishop Ridge”, within the Lake Cliff neighborhood. These projects will account for over 300 units of rehabilitation and 600 units of new construction.

The Project will be located in Southern Dallas, just south of Trinity River off 35E in North Oak Cliff. The Project will be situated on two combined parcels. The first is a 2.36 acre parcel that is currently a vacant charter school that will be torn down, and the second is an unimproved .88-acre lot. The Project is in Council District 1. Once acquired, the developer will be required to secure the property no more than 60 days after closing and provide security until completion of the project. Amenities will include a sky lounge, co-working space, fitness center and accessibility to Dallas Area Rapid Transit bus stops. The Project is zoned for multifamily development without any opposition. The Applicant will work with the Office of Emergency Management and Crisis Response throughout the planning and design process for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design.

The anticipated unit mix and rental rates are as follows:

301 N Ewing			
Unit Type	**AMI**	**Units**	**Rent**
Efficiency	60%	2	$1,214.00
Efficiency	80%	4	$1,247.00
Efficiency	Market	5	$1,247.00
1BR	60%	8	$1,407.00
1BR	80%	26	$1,733.00
1BR	Market	33	$1,777.00
2BR	60%	2	$1,584.00
2BR	80%	9	$2,112.00
2BR	Market	11	$2,352.00

808 N Ewing			
Unit Type	**AMI**	**Units**	**Rent**
Efficiency	60%	3	$1,196.00
Efficiency	80%	9	$1,196.00
Efficiency	Market	9	$1,311.00
1BR	60%	13	$1,407.00
1BR	80%	51	$1,646.00
1BR	Market	63	$1,909.00
2BR	60%	5	$1,584.00
2BR	80%	17	$2,112.00
2BR	Market	20	$2,503.00

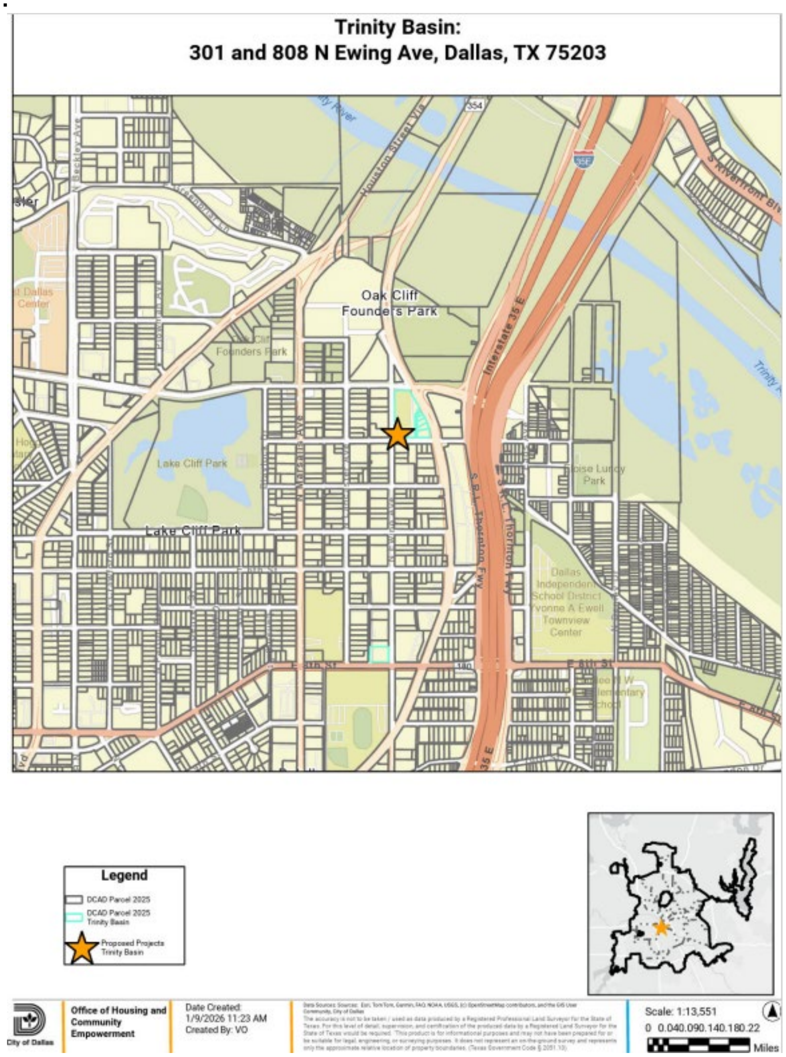
Reserving units for individuals and families earning between 60% and 80% AMI provides affordable housing for the “missing middle” of the housing market: residents that earn above low-income housing tax credit income restrictions of 60% AMI but would be cost-burdened by market rents. Household incomes between 60% AMI and 80% AMI range from approximately $49,320.00 to $65,700.00 for an individual and increase based on family size and reflect average incomes for a variety of employment sectors, such as teachers, first responders, government employees, and health care providers. The rents for individuals and families earning at or below 60% AMI are included to provide deeper affordability at this property with incomes starting at $49,320.00 for an individual and increasing depending on family size.

Total development costs are anticipated to be approximately $71,114,209.00 which include the acquisition price for the land. The development budget less soft/financial costs is anticipated to be approximately $59,658,932 which is $205,720.46 per unit.

Proposed Financing Sources	**Amount**
Mortgage Loan	$ 42,668,525.00
Developer/Investor Equity	$ 28,445,684.00
Total	$ 71,114,209.00
Proposed Uses	**Amount**
Development Costs	$ 46,159,595.00
Land Acquisition	$ 11,610,000.00
Soft Costs/Other Costs	$ 12,053,277.00
Contingency	$ 1,291,337.00
Total	$ 71,114,209.00

The Project will be owned by the DPFC and leased to the Applicant and other potential owners for a period of 75 years. In consideration for the DPFC's participation in the Project, the DPFC is estimated to receive $125,033,553.00 in revenues and rental savings over 60 years of the lease. Potential proceeds to the DPFC include (1) a $250,000.00 structuring fee paid at closing; (2) lease payments starting at $317,046.00 and increasing by 3% annually upon stabilization; (3) 15% of net profits after repayment of debt, equity, and preferred equity returns upon first capital event of the Project; and (4) 2% of gross profits on all future capital events. In the event of a sale during the life of the Project, DPFC will continue to receive the annual lease payments. Upon completion of the lease, DPFC will own the Project free and clear.

Project Location:



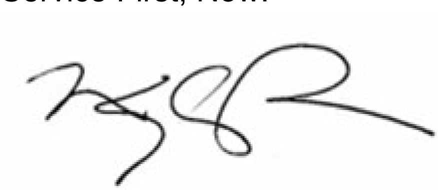
The DPFC's Project revenues will be used to fund DPFC operations and the provision of additional affordable workforce housing throughout the City. This proposed development results in foregone tax revenues for the City while the DPFC owns the asset. The current City tax bill for this property is $19,960.00 and the 60-year estimate of foregone taxes is $63,961,544.00. However, the workforce housing rental savings of $78,025,559.00 over 60 years and the estimated $47,007,994.00 in Project revenues provide the City with $125,033,553.00 in benefits that outweigh the foregone revenue.

The DPFC's estimated revenues were calculated by DPFC's partnership counsel and financial advisors. Market rent comps and current construction costs were analyzed to ensure the project costs are reasonable for the market. DPFC financial advisors have also confirmed that but for the ad valorem tax exemption, the Project would not be economically feasible and would not attract responsible debt and equity investment in the Project. Also, the DPFC's revenue consideration and affordability levels have been analyzed to confirm that the ad valorem tax exemption does not over-subsidize the Project.

The DPFC Board, its outside legal counsel, and its financial advisors have confirmed that this Project would not be feasible but for the DPFC's participation and that the Project furthers the goals of the DHRC. The DPFC Board recommends approval of this item to allow this mixed-income housing development to move forward.

Should you have any questions or need any additional information, please contact myself or Thor Erickson, Director, Office of Housing and Community Empowerment, at 214-670-3632 or Thor.Erickson@dallas.gov.

Service First, Now!



Liz Cedillo-Pereira,
Assistant City Manager

c: Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors