

Memorandum



CITY OF DALLAS

DATE May 26, 2026

TO Honorable Members of the City Council Economic Development Committee: Jesse Moreno (Chair), Paul Ridley (Vice Chair), Lorie Blair, Laura Cadena, Zarin Gracey, Bill Roth, Chad West

SUBJECT **Upcoming Agenda Items: New Markets Tax Credit transactions in support of the following three projects: Forest Theater Redevelopment at 1918 Martin Luther King Jr. Blvd, Salvation Army of North Texas Campus at 8625 N. Stemmons Freeway, and Pecan Deluxe Manufacturing Expansion at 2575 Lone Star Drive**

On June 24, 2026, the City Council will consider resolutions authorizing three New Markets Tax Credit (NMTC) transactions between the Dallas Development Fund and:

- 1) Forest Forward and affiliated entities (Forest Forward), and U.S. Bancorp Community Development Corporation and its subsidiaries thereof (U.S. Bancorp CDC), for up to \$8 million of DDF's \$55 million NMTC allocation in support of the **Forest Theater Redevelopment Project** located at 1918 Martin Luther King Jr. Blvd, Dallas, Texas 75215
- 2) The Salvation Army of North Texas and affiliated entities (The Salvation Army), and Capital One and its subsidiaries thereof (Capital One), for up to \$8 million of DDF's \$55 million NMTC allocation in support of the **Salvation Army Campus Project** located at 8625 N. Stemmons Freeway, Dallas, Texas 75247; and
- 3) Pecan Deluxe and affiliated entities (Pecan Deluxe), and Dudley Ventures, LLC, a subsidiary of Valley Bank, and its subsidiaries thereof (Dudley Ventures), for up to \$15 million of DDF's \$55 million NMTC allocation in support of the **Pecan Deluxe Manufacturing Expansion Project** located at 2575 Lone Star Drive, Dallas, Texas 75212.

Background

On February 11, 2009, the City Council authorized (1) the creation of the Dallas Development Fund (DDF), a Texas non-profit corporation and certified Community Development Entity (CDE), and (2) DDF's submission of a New Markets Tax Credit (NMTC) allocation application to the U.S. Department of Treasury's Community Development Financial Institutions Fund (CDFI) by Resolution No. 09-0461.

DDF is a non-profit subsidiary created (and controlled) by the City of Dallas to operate the City's NMTC program. DDF's purpose is to advance the economic development objectives of the City and to promote private investment in the City's Low-Income Communities using the NMTC program.

DATE May 26, 2026

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Since 2009, DDF has been awarded a total of \$240 million in NMTC allocation from the 2009, 2012, 2014, 2017 and 2021 allocation cycles. To date, DDF has closed 25 NMTC transactions involving \$229 million in NMTC allocation. DDF remains the only Texas-based municipal CDE to ever receive NMTC allocation.

Most recently in December 2025, DDF was awarded \$55 million in NMTC allocation during the CDFI's 2024-2025 allocation cycle.

The United States Congress created the NMTC program in 2000 to incentivize private investments that create jobs and provide services in economically disadvantaged areas. The NMTC program permits taxpayers (primarily corporate) to receive a credit against federal income taxes for making qualified equity investments in designated CDEs. These investments must be used by a CDE for projects and investments in low-income communities and provide additional opportunities for development in low-income areas. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period. More detailed information about the NMTC program is attached as **Exhibit D**.

Prior Action by DDF Board of Directors

On March 24, 2026, the DDF Board of Directors reviewed and approved up to \$8 million in NMTC allocation in support of the Forest Theater Redevelopment Project, up to \$8 million in NMTC allocation in support of the Salvation Army Campus Project, and up to \$15 million in NMTC allocation in support of the Pecan Deluxe Manufacturing Expansion Project as NMTC transactions in accordance with the terms and conditions in the applicable term sheet(s), including authorization for DDF officers to negotiate and execute any and all documents necessary to complete the transactions.

More detailed information about the NMTC transaction in support of the Forest Theater Redevelopment Project is attached as **Exhibit A**.

More detailed information about the NMTC transaction in support of the Salvation Army Campus Project is attached as **Exhibit B**.

More detailed information about the NMTC transaction in support of the Pecan Deluxe Manufacturing Expansion Project is attached as **Exhibit C**.

Should you have any questions, please contact Heather Lepeska, Deputy Director, Office of Economic Development, at (214) 670-1222 or Heather.Lepeska@dallas.gov.

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Service First, Now!



Robin Bentley
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager
Bertram Vandenberg, City Attorney (I)
Mamatha Sparks, City Auditor (I)
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety

Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors

DATE: May 2026
SUBJECT: Forest Theater
FROM: City of Dallas Office of Economic Development

PROJECT OVERVIEW

Project Description

The Forest Theater Redevelopment (Project) is a comprehensive redevelopment of the historic Forest Theater which includes rehabilitation of the National Register of Historic Places-listed Forest Theater and the construction of an addition to provide additional amenities to Forest Theater. The project is led by Forest Forward, which was founded in 2020 to restore and expand the Forest Theater, and works with the community to drive equitable development, economic mobility, and improve outcomes for children, residents, and families of the South Dallas community.

Forest Forward is renovating and expanding the historic Forest Theater into a vibrant 45,000 SF mixed-use hub to anchor community revitalization efforts in South Dallas. The Project includes a concert hall (1,000 seats) and studio theatre (200 seats) for community events, arts programming, and performances; a 13,500 SF creative laboratory which includes space for movement, visual arts and recording studios, flex space, resource center, sensory immersion room, and classrooms for arts education; and the neighborhood's first Starbucks.

The Project is part of a broader Purpose-Built Community-driven revitalization efforts coordinated by Forest Forward which also includes Dallas Independent School District's new Martin Luther King Jr Arts Academy and mixed-income housing. The Project will foster a vibrant cultural ecosystem that enriches the community's social fabric by drawing more than 100,000 individuals to arts events and performances.

Please refer to Exhibit 1 for project renderings.

Project Location

The Project site is located at 1918 Martin Luther King Jr Boulevard in Dallas, TX. The Project falls within Census Tract 48113020900, which is NMTC-qualified and considered "severely distressed" per the CDFI Fund based on a poverty rate of 22.4% and an unemployment rate 2.24x the national average.

Please refer to Exhibit 2 for a map showing the project site.

PROJECT SPONSOR AND RELATED ENTITIES

Project Sponsor/Borrower: Forest Forward

Forest Forward is a nonprofit organization that partners with the community to drive equitable development, economic mobility, and improved outcomes for children, residents, and families in South

Dallas. As the community quarterback for revitalization efforts in the area, Forest Forward is utilizing a Purpose-Built Community model to create a cradle-to-college education pathway for children in the community, support the development and construction of mixed-income housing, and preserve the community's cultural identity while providing new opportunities for growth and investment.

Related/Sponsoring Entities

The deal structure includes multiple special purpose entities affiliated with Forest Forward to facilitate the existing Historic Tax Credit Financing that closed in October 2025 and the additional NMTC financing.

FINANCING TERMS

NMTC Allocation

DDF will allocate up to \$8 million in Federal NMTC allocation to support the Project. Additionally, Enhanced Capital is expected to provide up to \$10 million in Federal NMTC allocation.

NMTC Investor

U.S. Bancorp Community Development Corporation

Anticipated DDF Closing Costs and Fees

DDF will charge upfront fees totaling 4% of the Qualified Equity Investment ("QEI") estimated at \$320,000. In addition, DDF will charge an annual Asset Management Fee of \$24,500 per year for seven years and an annual Audit and Tax Fee of \$13,000 per year for eight years.

DDF will separately secure reimbursement for costs associated with closing this transaction as well as audit and tax return preparation costs associated with maintaining the financing structure during the 7-year NMTC compliance period.

Financing Structure

NMTC Investor will provide a total of approximately \$5.6 million in NMTC Equity (\$0.80 pricing) to support the \$8 million in allocation from DDF and \$10 million in allocation from Enhanced Capital. Project Sponsor will provide approximately \$13 million in the form of a "Leverage Loan" for the transaction. The underlying sources for the Leverage Loan are previously spent Project costs, a line of credit, and cash in hand.

NMTC Investor will form a special purpose investment fund entity and will be responsible for management of this fund. The equity and leverage debt will be combined to capitalize the investment fund (a subsidiary of NMTC Investor) which in turn will make a QEI of up to \$8 million into a subsidiary of Dallas Development Fund ("DDF Sub-CDE") and pay a 2% CDE Fee to DDF.

DDF, through the aforementioned Sub-CDE, will make a Qualified Low-Income Community Investment (QLICI) loan to a QALICB entity, affiliated with Forest Forward.

Closing Timeline

This project financing is expected to close by August 2026.

COMMUNITY BENEFITS

Community Services

The Project will reestablish Forest Theater as a mixed-use neighborhood anchor and arts center, providing critical community programming that fosters economic vitality and creates new education and career pathways for residents. Programs include:

- **Out-of-School Programming.** Forest Forward will serve an estimated 150 youth annually with afterschool programming focused on creative learning across the project's studios, digital media labs, and performance spaces. Summer programming will serve an additional 200 youth annually through camps that focus on visual arts, movement, digital storytelling, audio production, and other culturally relevant creative disciplines. These offerings will strengthen pathways to creative expression, skill-building, and future career opportunities.
- **Workforce Development.** The Project will provide workforce training to 200 community residents annually, focusing on both industry-specific and transferable skills. Forest Forward will partner with the South Dallas Cultural Center, the Soul Rep Theatre Company, and other community organizations to deliver training for careers in theater operations, hospitality, and the broader creative sector. Pathways include hands-on apprenticeships in theater operations, annual front-of-house instruction, and a culinary hospitality program. Participants will also receive job-readiness and placement services to help transition into stable employment, with 75% of participants anticipated to be placed into quality positions each year.
- **Community Events.** The Project's concert hall will host over 100 performing arts, cultural, and community events drawing more than 100,000 individuals into the community annually.

Quality, Accessible Jobs

The Project is anticipated to support 35 full-time equivalent jobs (FTEs), 34 full-time and 2 part-time positions, including roles in theater operations, front-of-house services, event management, technical production, and facilities support. 100% of positions are anticipated to earn a living wage, with an average hourly rate of \$24.91. All full-time employees will receive benefits including health insurance, retirement, and PTO. 93% of positions will be accessible without a four-year degree and Forest Forward plans to work closely with a network of community-based arts, cultural, and education partners to help recruit and train local residents for jobs created by the project.

NMTC DUE DILIGENCE

Financial Considerations of the Project

The non-NMTC financing for the project includes private pledges, public funding (including from the City of Dallas), Historic Tax Credit equity, and additional financing to bridge the remaining capital campaign, as needed. All non-NMTC financing are already closed, but will require consents and some modifications to support the NMTC financing.

By 2028, the Project is anticipated to have a break-even operating budget of approximately \$3.8 million, supported by theater rental income, single ticket handling fees, and facility fees. The overall project budget includes a \$1.09 million theater operating reserve as well to provide a cushion for the earlier years of operations, in particular. To support ongoing operating stability and affordability for community members, Forest Forward is targeting sustained philanthropic support of approximately \$2.5 million annually to supplement earned revenues and ensure the Project remains accessible to the surrounding community.

Project Completion

Sponsor has assembled a high-capacity team to bring the Project to fruition. Key Project team members are described below:

- **Architect – HKS Architects:** HKS Architects is a global architectural and design firm founded in 1939 and headquartered in Dallas, Texas. HKS provides a wide range of services—including architecture, interior design, planning, research, and engineering—across sectors such as healthcare, sports, hospitality, and urban development. The firm is known for combining design, technology, and research to create sustainable, high-performing spaces that enhance user experience and community impact, with projects spanning dozens of countries worldwide.
- **General Contractor - Linbeck-ConReal:** The GC contract is a joint venture between Linbeck and Con-Real.
 - Linbeck is a Texas-based construction firm offering construction management, design/build, and integrated project delivery services and specializing in building large and complex projects. Linbeck was established in 1938 and has constructed over 5M+ square feet in the last 5 years alone. Linbeck has extensive historic renovation and performing arts experience including Abilene Heritage Square (Abilene, TX), the YWCA Fort Worth (Ft. Worth, TX) renovation, Tobin Center for the Performing Arts (San Antonio, TX), and Bass Performance Hall (Ft. Worth, TX).
 - Con-Real was founded in 1979 in Arlington, TX now with 6 other offices across the country including San Francisco, LA, Dallas, and Atlanta. Con-Real also has extensive experience with major cultural and entertainment projects including Texas Live! In Arlington, TX and the State Farm Arena in Atlanta, GA as well as historic properties such as the Old Red Courthouse in Dallas, TX.
 - Both of these contractors are major, bondable contractors who do projects many times larger than the Forest Theater renovation.

Management Team

Elizabeth Wattley – CEO

Elizabeth Wattley has over fifteen years of experience developing social enterprises that drive economic development while preserving the rich history, culture, and pride of the community. Prior to joining Forest Forward, Wattley led transformative initiatives at CitySquare, the largest nonprofit provider of affordable housing in the City of Dallas, and Paul Quinn College, among the oldest historically black colleges west of the Mississippi River.

Matrice Ellis-Kirk – Board Chair

Matrice Ellis-Kirk is the CEO of the Ellis Kirk Group, an executive search firm. Before founding Ellis Kirk Group, Matrice led the board and CEO assignments at two large global search firms and a boutique search

firm. She began her search career in the Consumer Goods and Services and Private Equity Practices, as well as the Financial Officers Practice. Earlier in her career, Matrice served as an officer in commercial banking at MBank and the vice president of the Office of Management and Budget at Dallas Area Rapid Transit. She also led the Dallas office of the investment banking firm Apex Securities. Matrice is the chair emeritus and life board member of the AT&T Performing Arts Center and is a Dallas City Council appointed board member of the DFW Airport Authority. She has also been appointed to the Jefferies Financial Group board.

Market Demand

The Project restores a historic cultural asset and acts as a catalyst to drive reinvestment without displacement to the South Dallas community. Forest Theater’s arts-infused educational and workforce training programming will create much-needed education and career pathways in a community where 91.5% of the population ages 25 and above do not have a four-year degree. Additionally, the census tract is designated “Very Low” on the Child Opportunity Level Index, indicating limited educational, economic, and health resources. Forest Forward’s STEAM programming will complement curriculum at MLK Jr. Arts Academy and expand opportunities for those interested in careers in the visual performing arts.

NEED FOR NMTC ASSISTANCE

The Project is characteristic of mission-driven historic rehabilitation: high development costs, limited near-term cash flow, and deep dependence on grants and philanthropic support. The project’s high development costs—restoring a historic, long-vacant theater—were significantly higher than originally anticipated due to the high inflationary environment post-COVID. Over the long-term, the mission-focused nature of the overall project—significant commitments to community events and partnership with the MLK Jr Arts Academy—limit the amount of market rate debt the project could support. NMTC is a key funding source to offset the high development costs while ensuring ongoing accessibility for the community.

Exhibit 1: Project Renderings



Exhibit 2: Project Location



Exhibit 3: Preliminary Sources and Uses

Perm Sources (Collapsed)		Uses	
NMTC Gross Subsidy - DDF	\$ 2,496,000	Acquisition	\$ 2,867,626
NMTC Gross Subsidy - Enhanced	\$ 3,120,000	Hard Costs Contracts	\$ 59,353,761
Acquisition Donation	\$ 4,144,068	Other Hard Cost/Buildout Related/Cont	\$ 6,012,044
Federal Historic Tax Credit Proceeds	\$ 9,342,114	Soft Costs & Financing Costs	\$ 10,871,092
State Historic Tax Credits Proceeds	\$ 11,730,787	Developer Fees	\$ 8,259,000
Private Philanthropic Sources	\$ 40,264,384	Estimated Base Project Costs	\$ 93,103,353
City of Dallas Grant	\$ 7,800,000	NMTC Closing and Other Costs	\$ 790,000
HUD Contract	\$ 4,000,000	CDE Reserves Ongoing Fees	\$ 770,000
Frost Bank LOC	\$ 7,000,000	CDE At Close Fees	\$ 770,000
Deferred Developer Fee	\$ 5,536,000		
Total	\$ 95,433,353	Total	\$ 95,433,353

DATE: May 2026

SUBJECT: Salvation Army – Social Service Campus

FROM: City of Dallas Office of Economic Development

PROJECT OVERVIEW

Project Description

The Salvation Army of North Texas is developing a new 21-acre social service campus to centralize services, co-locate partner agencies, and significantly expand capacity to serve the City of Dallas' homeless population. The Project includes the following key components:

- **Emergency Shelter & Victim Services – 46,700 SF:** 66 units housing 255 beds with length of stay up to 90 days for homeless men, women, and families. Includes separate shelter space for victims of domestic violence or sex trafficking.
- **Supportive Living Building - 115,000 SF:** 134 units housing 297 beds for men, women, and families, including family rooms, with length of stay up to 1-year. Supports emergency shelter and recovery services clients needing additional support and time to end their homelessness.
- **Social Services Center – 56,300 SF:** Features client intake; extensive community partner office space; medical, dental, and mental health clinics for clients operated by onsite partners; a client-choice food pantry; classrooms for job training, financial education, and life skills classes; volunteer center; and Salvation Army's administrative offices.
- **Wellness Center – 37,700 SF:** Includes industrial kitchen for meal production; dining room serving three healthy meals a day; culinary training space; recreation and fitness areas; pet kennel and play area for shelter residents; overflow shelter space for inclement weather; and food distribution warehouse for local Salvation Army food pantries.

The Project will serve more than 5,000 low-income community members annually through a comprehensive, co-located service model that includes emergency shelter, supportive housing, case management, healthcare, job training, and childcare. Onsite partners include Parkland Health, Metrocare, Family Gateway, Vogel Alcove, Legal Aid of NorthWest Texas, and Integrated Psychotherapeutic Services Recovery. Clients can access the campus via city bus – a DART bus stop is located at the entrance to the Social Services Center – or through the Salvation Army's shuttle service. Clients may also leave the campus by bus or shuttle service to travel to work or access services from other community providers.

Please refer to Exhibit 1 for the site plan.

Project Location

The Project site is located at 8625 N Stemmons Freeway in Dallas, TX. The Project falls within Census Tract 48113010003, which is NMTC-qualified and considered highly distressed per the CDFI Fund based on a poverty rate of 23.6% and its location within a Mental Health Professional Shortage Areas, a Major Disaster Declaration area, and a USDA Low-Income, Low-Access area.

Please refer to Exhibit 2 for a map showing the project site.

PROJECT SPONSOR AND RELATED ENTITIES

Project Sponsor: The Salvation Army of North Texas

The Salvation Army of North Texas (“The Salvation Army”) is the largest social services provider in North Texas, serving more than 4,000 square miles across a six-county footprint (Dallas, Tarrant, Ellis, Denton, Collin, and Rockwall). The Salvation Army focuses on helping residents combat addiction, homelessness, and poverty, continuously adapting its approach to meet the evolving needs of all of the communities it serves. The organization’s current programs include six shelters and senior living centers housing 1,300 individuals per night, 12 food pantries feeding 10,000 individuals per week, and three recovery programs treating 500 individuals per week. In addition to these services, the Salvation Army provides a diverse range of programs including resource assistance, job readiness and life skills classes, counseling, out-of-school youth programs, and disaster response services.

Related/Sponsoring Entities

The NMTC borrower is anticipated to be a newly-formed special purpose entity of The Salvation Army.

FINANCING TERMS

NMTC Allocation

DDF will allocate up to \$8 million in Federal NMTC Allocation to support the Project. Additionally, Capital One Community Renewal Fund, LLC (“COCRF”) is anticipated to provide up to \$6 million in Federal NMTC Allocation.

NMTC Investor

Anticipated to be Capital One

Anticipated DDF Closing Costs and Fees

DDF will charge upfront fees totaling 4% of the Qualified Equity Investment (“QEI”) estimated at \$320,000. In addition, DDF will charge an annual Asset Management Fee of \$28,000 per year for seven years and an annual Audit and Tax Fee of \$13,000 per year for eight years. DDF will separately secure reimbursement for costs associated with closing this transaction.

Financing Structure

NMTC Investor will provide a total of approximately \$4.4 million in NMTC Equity (\$0.80 pricing) to support the \$8 million in allocation from DDF and \$6 million in allocation from COCRF. Project Sponsor will provide approximately \$9.8 million in the form of a “Leverage Loan” for the transaction. The underlying sources for the Leverage Loan are previously spent Project costs, a line of credit, and cash in hand.

NMTC Investor will form a special purpose investment fund entity and will be responsible for management of this fund. The equity and leverage debt will be combined to capitalize the investment fund (a subsidiary of NMTC Investor) which in turn will make a QEI of up to \$8 million into a subsidiary of Dallas Development

Fund (“DDF Sub-CDE”) and pay a 2% CDE Fee to DDF.

DDF, through the aforementioned Sub-CDE, will make a Qualified Low-Income Community Investment (QLICI) loan to the QALICB. Pursuant to DDF’s Allocation Agreement, DDF will take a fee of 2% of the QEI to finance its activities. The total DDF QLICI loans to the QALICB will be up to approximately \$7.84 million. Please refer to Exhibits 3 and 4 for budget and structure chart, respectively.

Closing Timeline

This project financing is expected to close by August 2026.

COMMUNITY BENEFITS

Community Services

The Project will serve more than 5,000 unique low-income individuals annually with a broad array of co-located supportive services aimed at strengthening housing stability and economic mobility.

- **Emergency Shelter.** The Project will provide 255 beds for emergency shelter, with a length of stay up to 90 days, to support individuals experiencing homelessness, those in need of recovery services, and individuals fleeing from domestic violence and/or sex trafficking. The shelter will be open 24/7, welcoming new arrivals at any time.
- **Supportive Housing.** Emergency Shelter clients needing additional support and time to end their homelessness can enroll in the Supportive Living Program with a length of stay up to one year. Clients can also be directly referred by a contracted partner. The Supportive Living Building will crucially provide family housing for the first time, providing a secure living environment for children and their parents.
- **Wraparound Services.** The Project will co-locate multiple highly-regarded partner agencies on the new campus to provide comprehensive, wraparound services that both support individuals experiencing homelessness and help prevent it by addressing its root causes.
 - Case Management. Upon arrival, all clients will be assigned a case manager who helps them work on appropriate goals including homeless recovery, employment, life skills, permanent housing, and other treatment goals. Family Gateway will provide case management using individualized housing stabilization plans to support families, working with both adults and children experiencing homelessness to help them regain stability and self-sufficiency. Family Gateway’s programs annually transition 90% of its participants to stable housing, with 99% of these participants remaining stably housed.
 - Job Training. A campus Education Supervisor and Employment Specialist will facilitate job training, job readiness, and placement services onsite for clients. The campus teaching kitchen will provide culinary training, including ServSafe certification, in partnership with the North Texas Food Bank and Aramark. The campus warehouse will facilitate forklift

training and certification.

- Childcare. Vogel Alcove, a highly accredited nonprofit organization that provides free childcare and a broad array of services for children and families at-risk of or experiencing homelessness, will operate a childcare center onsite for residential clients. Vogel Alcove will provide NAEYC-accredited, trauma informed early childhood programming, developmental and behavioral therapy, and family support services including parenting training, mental health support, and resource assistance. Vogel Alcove is expected to serve 168 children annually.
- Legal Services. Legal Aid of NorthWest Texas will provide free civil legal services to ensure equal access to justice. Services will help address a range of civil legal needs, including removing barriers to employment and housing, foreclosure and eviction support, homelessness, healthcare coverage, debt and debt collection, and legal assistance following disasters.
- Increased Access to Healthy Foods. The campus will feature a client-choice food pantry, providing 3-5 days worth of meals and meeting the nutritional needs of individuals and families. Additionally, staff from the North Texas Food Bank will be onsite to assist with WIC and SNAP enrollments.
- **Healthcare**. The Project will feature an integrated health clinic with medical, dental, and behavioral healthcare in partnership with Parkland Health and Metrocare Services.
 - Parkland Health, the public hospital for Dallas County, will provide non-emergent medical and dental services. This will appropriately divert patients and provide preventative care for homeless “high-utilizers” of the nearby Parkland Emergency Room.
 - Metrocare, the largest provider of mental health services in Dallas County, will provide holistic behavioral health, substance abuse treatment, and specialized support services, including psychiatric assessments, counseling, crisis intervention, case management, and medication management.
 - Integrated Psychotherapeutic Services Recovery, an outpatient treatment clinic for substance recovery with wrap-around psychiatric services, will also have a presence onsite. Services include medication assisted treatment, evidence-based outpatient treatment, individual and group therapy, and job counseling.

Quality, Accessible Jobs

The Project will support 219 full-time equivalent jobs (FTEs). All employees will have access to a wide range of benefits including health insurance (medical/dental/vision), tuition reimbursement, retirement, and paid time off. 77% of positions are accessible without a four-year degree, and the Salvation Army will work with community partners, including Workforce Solutions of Greater Dallas, to recruit local residents. The Salvation Army is a second-chance employer and routinely hires large numbers of workers with only high school diplomas or GEDs.

NMTC DUE DILIGENCE

Financial Considerations of the Project

The non-NMTC financing for the Project includes ~\$151MM cash from Salvation Army's broader capital campaign. As of December 2025, just over \$100MM in campaign proceeds were funded and in hand. To the extent additional cash is needed prior to receipt of campaign pledges, Sponsor has a \$125MM line of credit with Wells Fargo that can be drawn on; as of December 2025, only ~\$18MM was utilized. Any draws on the line of credit will be repaid with capital campaign proceeds, and the Project does not anticipate requiring any permanent debt.

At stabilization in 2028, the Project is projected to have a \$65.4MM annual operating budget, with a net operating cash flow of ~\$500k. Revenue is supported by donations from individuals, grants, and contracts, with additional income from corporate donations and trust funds.

Project Completion

Sponsor has assembled a high-capacity team to bring the Project to fruition. Key Project team members are described below.

- **General Contractor - Balfour Beatty Construction, LLC:** Part of the global infrastructure group Balfour Beatty plc, Balfour Beatty Construction, LLC is a large commercial construction firm based in Dallas, TX. Balfour has a proven track-record of delivering complex, large-scale infrastructure and building projects across sectors such as healthcare, education, transportation, and commercial development, supported by multidisciplinary engineering and project management expertise.
- **Architect - HH Architects:** HH Architects is a U.S.-based architectural planning and design firm founded in 1971 and headquartered in Richardson, Texas. The firm specializes in creating purpose-driven, community-focused spaces, with services that include architecture, master planning, interior design, and strategic positioning for organizations across sectors such as religious, educational, municipal, and commercial facilities.
- **Owner's Representative - Project Advocates:** Project Advocates is a U.S.-based construction advisory and project management firm founded in 2010, with headquarters in Omaha and additional offices in Kansas City and Dallas. As an owner's representative, their team provides guidance to clients through the full lifecycle of a project—from early planning and design through construction and final commissioning.

Management Team

Christina Cavalier – Managing Director

Christina Cavalier serves as Managing Director of The Salvation Army of North Texas, where she leads the Executive Leadership Team overseeing social services, youth and education programs, operations, finance, fundraising, and communications for the North Texas Area Command. She is the architect of the \$212.7 million One Army Many Fronts capital campaign, which has secured more than \$208 million to date, and previously served as Vice President of Development at the Perot Museum of Nature and

Science, where she led a \$25 million campaign that secured eight-figure commitments in its first year. Her more than 15 years of nonprofit leadership, fundraising, and strategic planning experience position The Salvation Army of North Texas for continued long-term growth and community impact.

Joseph Tafur – Senior Director

Joseph Tafur serves as Senior Director of Facilities and Procurement for The Salvation Army of North Texas, overseeing planning, development, and execution of major capital projects across administrative, program, residential, and warehouse facilities. With more than 20 years of experience in facilities management, construction oversight, and long-range capital planning, he has led multiple multimillion-dollar projects from concept through design, permitting, construction, and occupancy. He holds an MBA with concentrations in Organizational Management and Project Management, providing a strong foundation in financial stewardship, process improvement, and risk management.

Tina Robertson – Director of Operations

Tina L. Robertson, LCSW-S serves as Director of Operations for The Salvation Army's Carr P. Collins Social Services Center in Dallas, bringing more than 27 years of experience in mental health, social services, and nonprofit leadership. She has held senior executive and clinical leadership roles across mission-driven organizations, leading large-scale trauma-informed initiatives, managing multimillion-dollar budgets, and expanding nationally recognized programs serving children, families, and professionals. Her expertise spans program innovation, systems change, fundraising, and workforce development, grounded in a strong clinical foundation.

Market Demand

The new campus replaces the Salvation Army's existing Carr P. Collins Social Service Center, a forty-year-old obsolete facility that if not replaced will close, leaving the city without a critical community resource. The 2025 Annual Point-in-Time Report identified 3,541 individuals experiencing homelessness in Dallas and Collin County, 29% of whom were unsheltered. The Project will provide vital services to support individuals experiencing homelessness as well as services to address the root causes of homelessness and poverty.

NEED FOR NMTC ASSISTANCE

The Salvation Army's Social Service Campus is a \$212.7 million project funded primarily through a capital campaign. However, the Project has encountered significant cost escalation driven by sustained inflation in construction materials and labor, creating a critical financing gap that philanthropy alone cannot bridge. NMTC helps to offset these increased construction costs and ensures the Project can be fully delivered as designed. Without NMTC assistance, the Salvation Army would face difficult tradeoffs that could reduce the overall scope and/or phase components of the project, which would reduce the ability to serve clients in the near term.

Exhibit 1: Site Plan



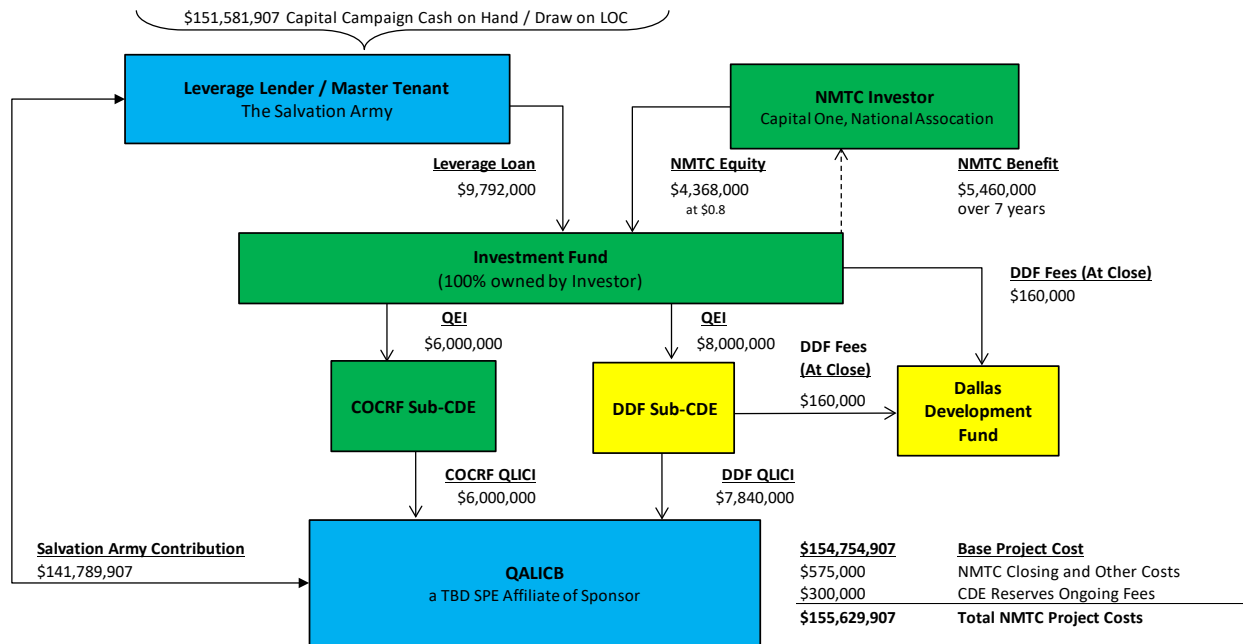
Exhibit 2: Project Location



Exhibit 3: Preliminary Sources and Uses

Sources (Collapsed)		Uses	
NMTC Gross Subsidy - DDF	\$ 2,496,000	Hard Costs	\$ 124,072,103
NMTC Gross Subsidy - COCRF	\$ 1,872,000	Architect Fees	\$ 5,570,913
Capital Campaign Cash on Hand / Draw on LOC	\$ 151,581,907	FF&E	\$ 7,922,528
		Other Soft Costs	\$ 7,263,595
		Contingency	\$ 9,925,768
		Estimated Base Project Costs	\$ 154,754,907
		NMTC Closing and Other Costs	\$ 575,000
		CDE Reserves Ongoing Fees	\$ 300,000
		CDE At Close Fees	\$ 320,000
Total	\$ 155,949,907	Total	\$ 155,949,907

Exhibit 4: Preliminary NMTC Structure (Subject to change)



DATE: May 2026
SUBJECT: Pecan Deluxe
FROM: City of Dallas Office of Economic Development

PROJECT OVERVIEW

Project Description

Pecan Deluxe is acquiring a 3-acre site across the street from their existing headquarters on which to construct a new state-of-the-art production facility. The new production facility will include 83,656 SF of production space, 13,400 SF for installed freezer and cold storage space, and sub-level parking for 140 cars. Additionally, Pecan Deluxe recently added a new boba production line at its current facility that will be supported by the NMTC financing.

The Project will expand Pecan Deluxe’s production capacity by 33% and support new product lines. This expansion will support more than 340 permanent full-time equivalent (“FTE”) positions, many of which are anticipated to be quality jobs and accessible to individuals without a four-year degree.

Project Location

The Project site is located at 2575 Lone Star Drive in Dallas, TX. The Project falls within Census Tract 48113020500, which is NMTC-qualified and considered “severely distressed” per the CDFI Fund based on a median family income 51% of the area median income.

Please refer to Exhibit 1 for a map showing the project site.

PROJECT SPONSOR AND RELATED ENTITIES

Project Sponsor/Borrower: Pecan Deluxe

Founded in 1950, Pecan Deluxe is a family-owned business that started as an ice cream shop and evolved to develop innovative ingredients and confectionery products for other food companies. Today, Pecan Deluxe has grown to over 600 employees offering more than 1500 products – including manufacturing baked goods, candies, pralines, nuts, sauces, bases, dough products, and boba – for a broad range of food and beverage applications. Clients include prominent restaurants, food service companies, dairies, and confectionery brands worldwide.

Related/Sponsoring Entities

The NMTC borrower is anticipated to be a portion of business of Pecan Deluxe, and the Leverage Lender is anticipated to be a newly formed special purpose entity of Pecan Deluxe.

FINANCING TERMS

NMTC Allocation

DDF will allocate up to \$15 million in Federal NMTC Allocation to support the Project. Additionally, Texas LIC Development Company (“TxLIC”) is anticipated to provide up to \$15 million of NMTC Allocation, and 19Twenty Community Capital, LLC (“19Twenty”) is anticipated to provide up to \$10 million of NMTC Allocation.

NMTC Investor

Dudley Ventures, LLC, a subsidiary of Valley Bank

Anticipated DDF Closing Costs and Fees

DDF will charge upfront fees totaling 4% of the Qualified Equity Investment (“QEI”) estimated at \$600,000. In addition, DDF will charge an annual Asset Management Fee of \$52,500 per year for seven years and an annual Audit and Tax Fee of \$13,000 per year for eight years.

DDF will separately secure reimbursement for costs associated with closing this transaction as well as audit and tax return preparation costs associated with maintaining the financing structure during the 7-year NMTC compliance period.

Financing Structure

NMTC Investor will provide a total of approximately \$12.5 million in NMTC Equity (\$0.80 pricing) to support the \$15 million in allocation from DDF and \$25 million in allocation from TxLIC and 19Twenty. Project Sponsor will provide approximately \$28 million in the form of a “Leverage Loan” for the transaction. The underlying sources for the Leverage Loan are previously spent Project costs, a line of credit, and cash in hand.

NMTC Investor will form a special purpose investment fund entity and will be responsible for management of this fund. The equity and leverage debt will be combined to capitalize the investment fund (a subsidiary of NMTC Investor) which in turn will make a QEI of up to \$15 million into a subsidiary of Dallas Development Fund (“DDF Sub-CDE”) and pay a 2% CDE Fee to DDF.

DDF, through the aforementioned Sub-CDE, will make a Qualified Low-Income Community Investment (QLICI) loan to the QALICB. DDF’s QLICI loans will be used to support construction and equipment related to Pecan Deluxe’s expansion. As Pursuant to DDF’s Allocation Agreement, DDF will take a fee of 2% of the QEI to finance its activities. The total DDF QLICI loans to the QALICB will be up to approximately \$14.7 million. Please refer to Exhibits 2 and 3 for budget and structure chart, respectively.

Closing Timeline

This project financing is expected to close by August 2026.

COMMUNITY BENEFITS

Job Creation and Retention

At stabilization, the project is expected to retain 265+ and create 75-100+ permanent FTEs. This total includes roles focused on food production, manufacturing, and warehouse operations.

Quality Jobs

Employees are expected to receive strong wages and benefits. Benefits include health insurance (medical/dental/vision), retirement with 3% employer match, paid time off, and a free annual DART pass to reduce transit barriers. All employees receive annual Food and Workplace Safety Trainings, along with specialized safety equipment training. Pecan Deluxe is committed to employee advancement and wellbeing, and as a result more than 30 employees have been with the company for over 25 years.

Accessible Jobs

Many positions will be accessible without a four-year college degree, consistent with the educational profile of the surrounding community where 89% of residents ages 25 and older have less than a four-year degree. Accessible positions include roles in food production, manufacturing, and warehouse operations. Pecan Deluxe's provision of a free annual DART pass reflects a deliberate effort to reduce transportation barriers and broaden access to employment for local residents and Hard-to-Employ Populations.

NMTC DUE DILIGENCE

Project Completion

Sponsor has assembled a high-capacity team to bring the Project to fruition. Key Project team members are described below.

- **Architect – Mayse & Associates:** Mayse & Associates Architects, Inc. is a Dallas-based architecture and design firm specializing in innovative, sustainable building solutions for commercial, residential, and public-sector projects. The team guides projects from concept through construction administration, prioritizing client collaboration, context-aware design, and practical, value-driven outcomes in the Dallas area.
- **General Contractor – Ridgemont Commercial Construction:** Founded in 1976 and based in the Dallas-Fort Worth area, Ridgemont Construction provides services such as construction management, design-build, and general contracting, working across sectors including retail, healthcare, industrial, office, automotive, and senior living projects. Known for handling projects from initial planning through completion, Ridgemont emphasizes collaboration with clients and has built a strong reputation for repeat business and long-term relationships in the North Texas construction market.

Management Team

Jay Brigham – President & CEO

Jay Brigham became President of Pecan Deluxe in 2008, representing the third generation of family leadership, and studied food science at Texas A&M University before joining the company as a teenager. Under his leadership, the company has expanded internationally into the UK and Thailand and launched popping boba production, making Pecan Deluxe the first fully operational manufacturer of popping boba in the United States.

Lucas Melott – Chief Financial Officer

Lucas Melott has served as CFO of Pecan Deluxe since October 2021, bringing over a decade of senior financial and operational leadership from his prior role as CFO/CAO of Texas Meat Packers & Patterson Food Processors, a Dallas-area food manufacturing company. He holds an MBA in Finance from the University of Texas at Arlington and a BBA in Finance from Southern Arkansas University.

Bill Barrier – Chief Strategy Officer

Bill Barrier serves as Chief Strategy Officer at Pecan Deluxe and previously held senior roles at Burger King as Sr. Director of Product Consistency and at Yum Brands as Director of Product Development. His background in large-scale QSR product strategy positions Pecan Deluxe to compete for high-volume national foodservice contracts.

Jane Sowell – VP of Procurement

Jane Sowell serves as Vice President of Procurement at Pecan Deluxe Candy Company. Her role is critical to the company's supply chain strategy, managing ingredient sourcing across a product portfolio of more than 1,500 SKUs serving clients in foodservice, dairy, and confectionery industries worldwide.

Market Demand

Pecan Deluxe has long sought out new opportunities to provide confectionery products for other food companies. The company prides itself on being highly adaptable and responsive to customer needs, especially in the beverage space. The products that Pecan Deluxe produces in Dallas are often served across North America and companies are increasingly selecting domestic suppliers over imported products for supply chain reliability and quality consistency. For example, since commercially launching popping boba in 2021, Pecan Deluxe has driven domestic category growth, becoming the first fully operational U.S producer at scale.

NEED FOR NMTC ASSISTANCE

Pecan Deluxe's current operations are landlocked at its current headquarters facility along Lone Star Drive, constraining the company's ability to grow and sustain its current workforce in the community. Rather than relocating to a new site—likely outside the City of Dallas and away from the long-term employees from West Dallas—the company elected to acquire the site directly across the street from its existing facility. However, the new site was more expensive than a comparable greenfield site and had topographic challenges that increased predevelopment and construction costs, creating a financing gap

for the company. NMTC is a key funding source to offset the added costs of developing in the City of Dallas.

Exhibit 1: Project Location



Exhibit 2: Preliminary Sources and Uses

Sources (Collapsed)		Uses	
NMTC Gross Subsidy - DDF	\$ 4,680,000	Acquisition	\$ 4,500,000
NMTC Gross Subsidy - TxLIC	\$ 4,680,000	General Contractor	\$ 18,366,555
NMTC Gross Subsidy - 19Twenty	\$ 3,120,000	Contingency	\$ 1,397,518
Cash on Hand	\$ 31,805,046	Equipment	\$ 14,791,901
		Soft Costs	\$ 516,072
		Estimated Base Project Costs	\$ 39,572,046
		NMTC Closing and Other Costs	\$ 1,115,000
		CDE Reserves Ongoing Fees	\$ 1,748,000
		DDF At Close Fees	\$ 600,000
		Other CDE At Close Fees	\$ 1,250,000
Total	\$ 44,285,046	Total	\$ 44,285,046

Exhibit 3: Preliminary NMTC Structure (Subject to change)

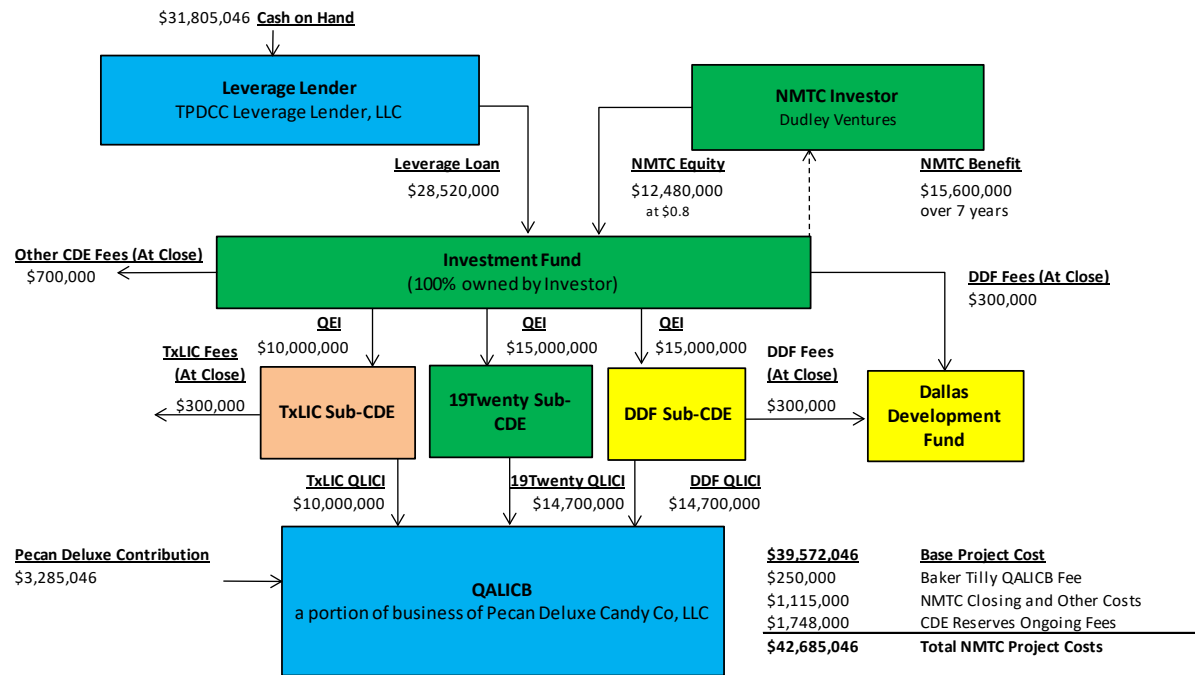




EXHIBIT D

NEW MARKETS TAX CREDITS

An Introduction

DALLAS
DEVELOPMENT
FUND

Agenda

Introductions

Project Case Study

NMTC Program Overview

Transaction Structuring and Economics

Sample Projects

DALLAS DEVELOPMENT FUND OVERVIEW

Overview

- Community Development Entity (CDE) founded in 2009 controlled by City of Dallas
- \$295 million in NMTC allocation from 6 rounds
- Only city in Texas to receive NMTC

Key Priorities

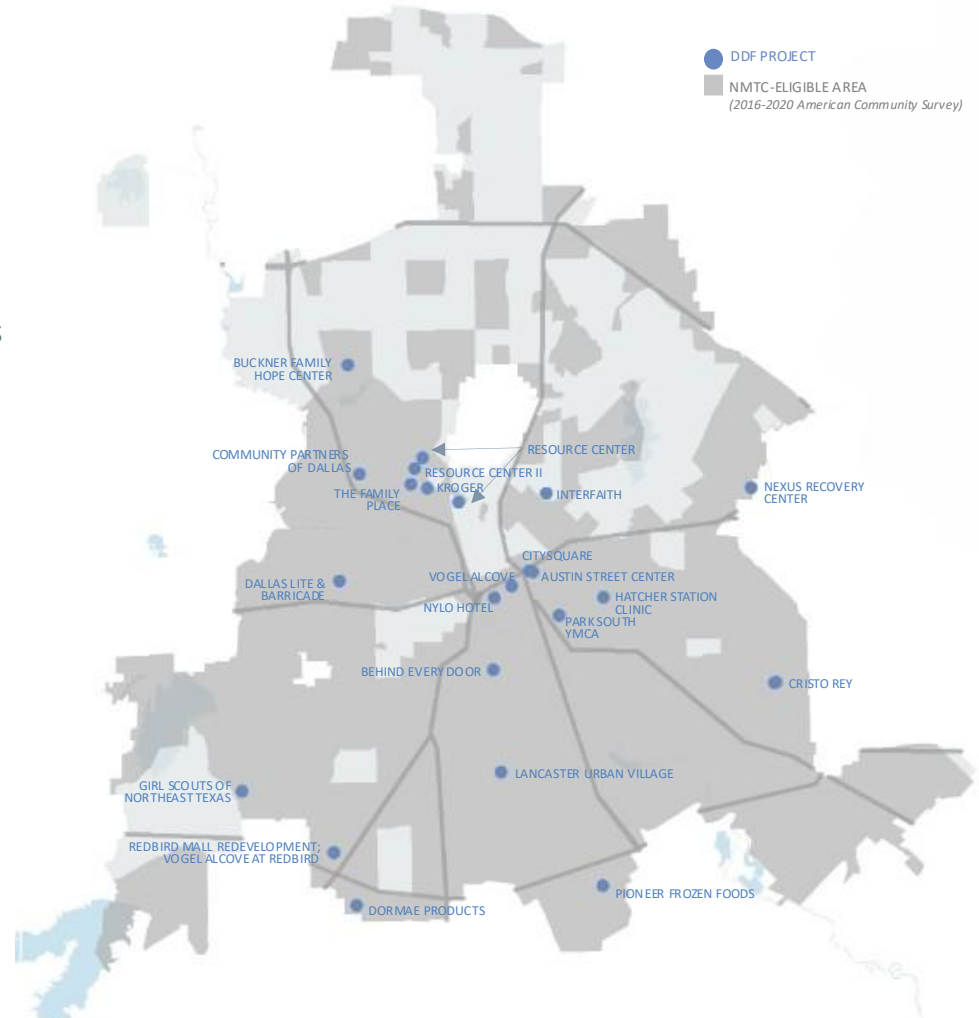
- Generate economic vitality via projects creating high-quality jobs
- Promote community sustainability through nonprofits providing needed community services

Projects

- 25 projects supported
- 1.4 million square feet developed/rehabbed
- \$229 million in NMTC deployed

2024 Impacts

- 121,896 individuals served
- 1,835 jobs created/retained
- \$21.06 per hour average wage



01 Project Case Study

PARK SOUTH YMCA

Dallas, TX

Overview

- Construction of 41,000 SF family YMCA to replace an aging facility that has provided critical services to the South Dallas community for over 50 years
- Project Size: \$18.4 million
- Net NMTC Benefit: \$3.3+ million

Key Impacts

- Project serves 2,800+ individuals annually (35% increase)
- Childcare and Youth Development Programs: Year-round preschool; out-of-school programs for youth and teens; drop-in childcare
- Holistic Multi-General Support: Health & Wellness programs, including chronic disease prevention and management programs, financial literacy education for adults; and cooking classes and healthy foods access



02 NMTC Program Overview

NEW MARKETS TAX CREDIT PROGRAM

History

- Federal tax credit started in 2000; made permanent part of tax code in 2025
- Designed to promote economic development in the nation's economically distressed communities
- Has become a competitive resource for community development projects nationwide

Impact through 2024*

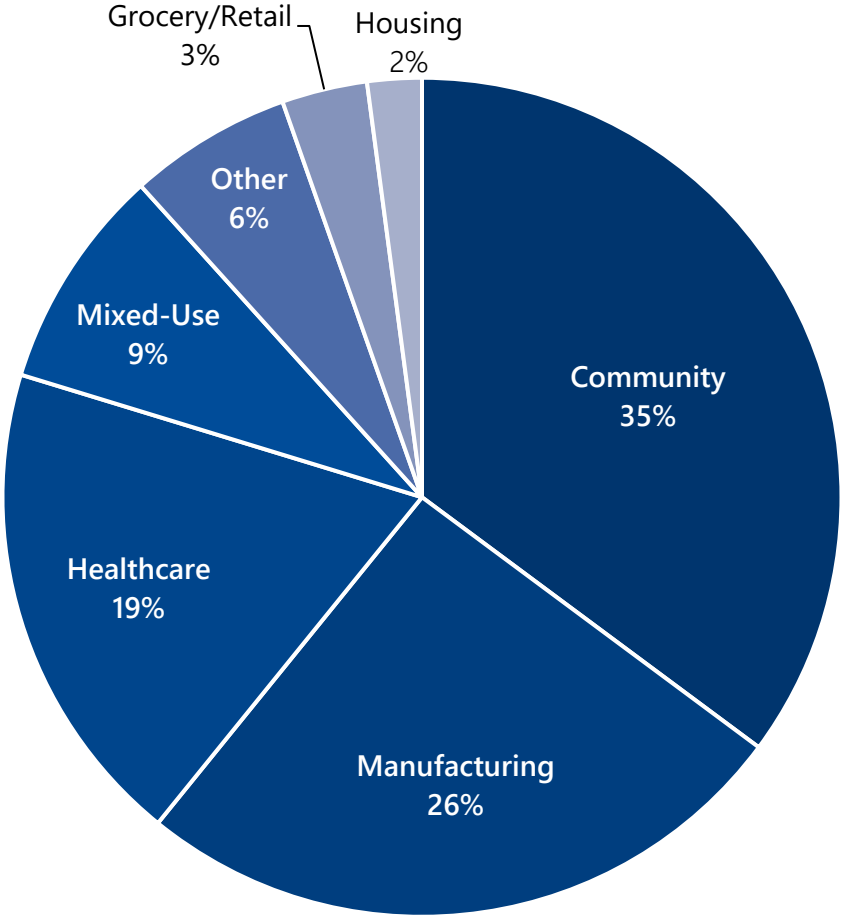
- Supported over **8,900** projects, including more than **3,800** community facilities
- Generated more than **\$143 billion** in total capital investment
- Created more than **1,250,000** jobs

Benefits to Projects

- Subsidy: Boosts available capital by 15-20% to address financing gaps
- Long-Term Financing: Very low-cost, patient capital with 7+ year term
- Permanency: After 7 years, the additional capital converts to permanent equity

**Source: New Markets Tax Credit Fact Sheet, New Markets Tax Credit Coalition, <https://nmtccoalition.org/advocacy-toolkit/fact-sheet/>*

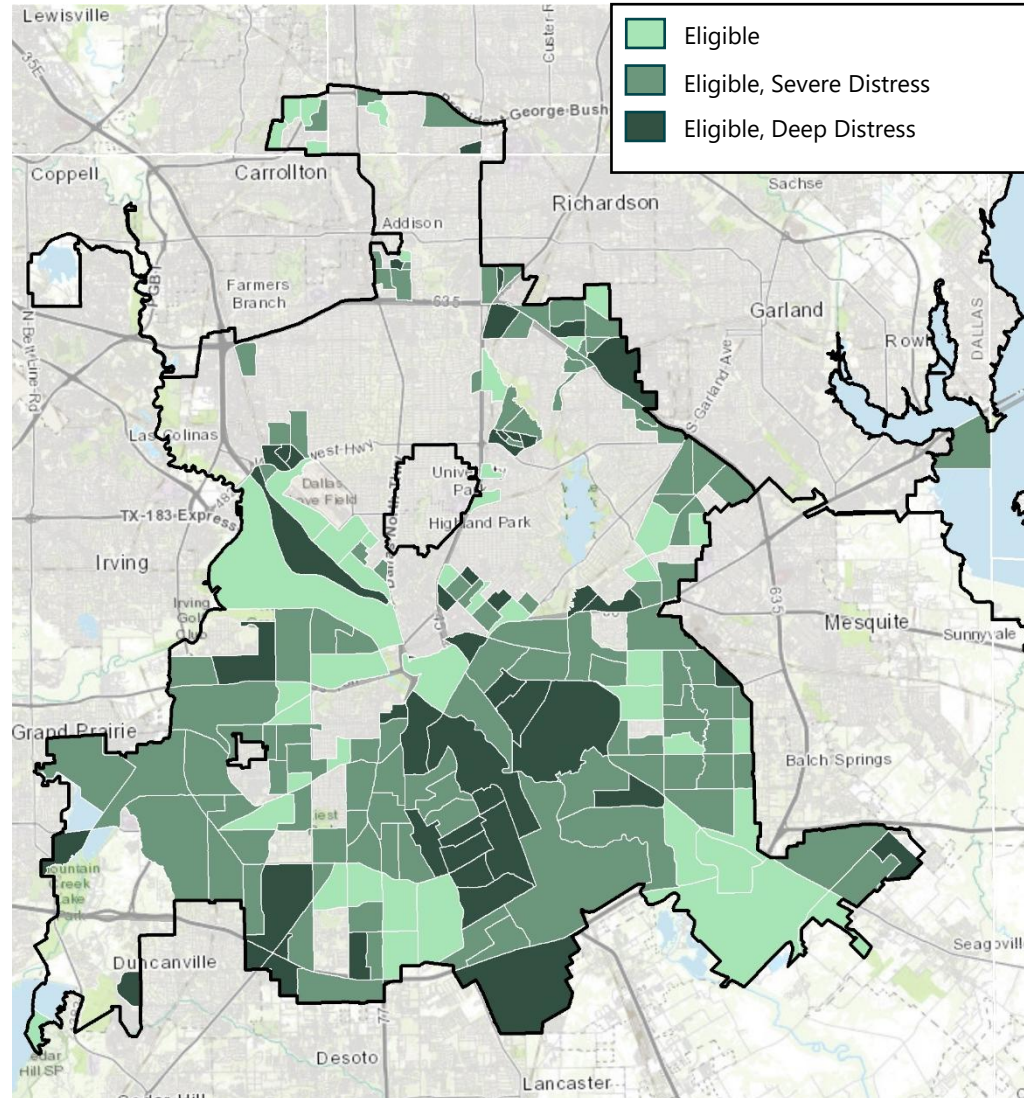
WHAT TYPES OF PROJECTS DO NMTCS SUPPORT?



Source: New Markets Tax Credit Coalition. NMT Progress Report (2024), Project Types (2018-2023).

WHERE CAN NMTCS BE USED?

- NMTCS capital must be deployed in qualifying Census tracts which meet one or both of the following criteria:
 - Median Family Income of 80% or less of Metro Median
 - Poverty rate of 20% or greater
- Eligibility sourced from 2016-2020 Census American Community Survey
- To be attractive, an NMTCS project also needs to be located in an Area of Severe Distress (multiple definitions/paths to qualify) or Deep Distress
- Mapping tool: <https://www.novoco.com/resource-centers/new-markets-tax-credits/data-tools/nmtc-mapping-tool>



WHAT MAKES A GOOD NMTC PROSPECT?

Location

In NMTC eligible and highly distressed Census tracts, especially in areas of greater distress

Impact

The most attractive projects offer strong community impacts with robust documentation

Financial Readiness

Other financing sources (the Non-NMTC subsidy) need to be available as cash at NMTC closing

Construction Readiness

Project needs to start spending NMTC proceeds upon closing

- Real estate projects need to be ready to begin construction at closing (e.g., building permit, contractor engaged, etc.)
- Operating businesses need to have a clear plan to begin spending proceeds

Need

Projects must have a demonstrated need for NMTC subsidy—the “But For”

Size

Projects are typically minimum \$6-7MM in total project cost

WHO'S INVOLVED?

FEDERAL GOVERNMENT

- U.S. Congress authorizes Treasury to make allocations of NMTC
- Within U.S. Treasury, CDFI Fund administers NMTC Program
- Awards NMTCs allocation to CDEs on an annual basis

COMMUNITY DEVELOPMENT ENTITIES (CDES)

- Apply for and receive NMTC allocation in competitive process
- Make decisions on what projects to support with their NMTC allocation
- Private mission-driven entities, serving low-income communities

NMTC INVESTORS

- Invest equity in exchange for a federal tax credit
- Provide 15-20% of total capital for a given transaction
- Typically large commercial banks

OTHER FUNDERS

- Provide 75-80% of total capital for a given transaction
- Very flexible: foundations, banks, CDFIs, gov't (local, state, federal), etc.

NMTC PROJECTS

- Typically commercial real estate, owner-occupied facility, or operating business
- For-profit or nonprofit; many are nonprofit
- Project Deal Team includes NMTC-specialized consultant, accountant, and attorney

WHAT'S INVOLVED?

STEP 1: PRELIMINARY POSITIONING (Varies; can be 12 months or more)

- Define the project, complete preliminary deal structuring, and create summary of community impacts
- Get on the radar of CDEs
- Work on the core funding sources; configure them to be NMTC-compatible
- Move the project towards readiness (site control, design, regulatory, etc.)

STEP 2: ASSEMBLING THE DEAL (Roughly 60-90 days)

- Non-NMTC funding sources are in-hand at a "term sheet" level
- Put together a "deal package" highlighting project feasibility, community impact, timing
- Go through CDE and investor screening process
- Pursue commitments of NMTC allocation, NMTC equity investment

STEP 3: CLOSING PROCESS (Roughly 60-90 days)

- Retain legal counsel and NMTC accountants
- Weekly calls and document drafting
- Ready to break ground prior to or at closing
- All legal permissions to proceed are in-hand (e.g., building permits, zoning, etc.)

DDF Steps

Intake and Preliminary Underwriting



DDF "First Look"



Issue Term Sheet



Underwriting



DDF Approval



City Council Approval



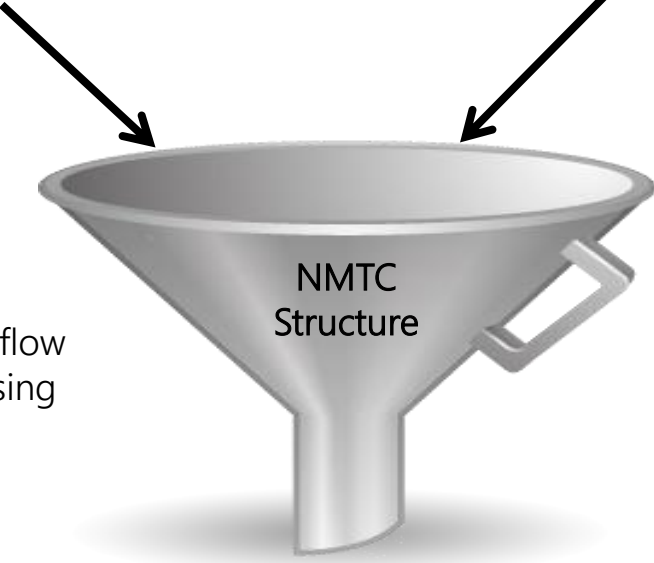
Closing

03 Transaction Economics and Structuring

FLOW OF FUNDS (\$10 MILLION DEAL)

Non-NMTC Capital from Sponsor
(Leverage Sources)
~\$8 million from cash, loan facility, etc.

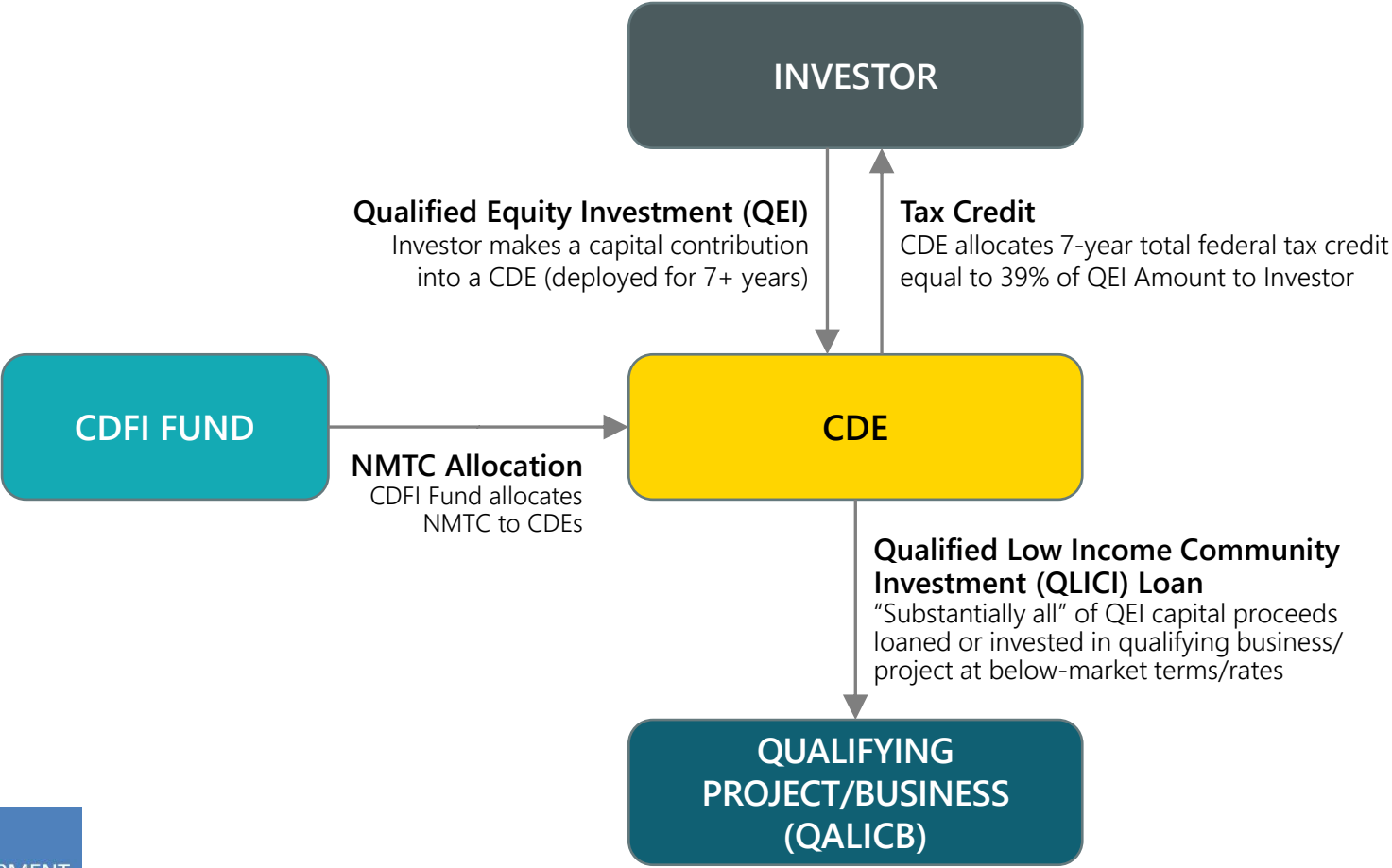
NMTC Subsidy from Investor
~\$2 million (after all fees and closing costs)



All sources must be liquid and flow through simultaneously at closing

NMTC financing goes to affiliate entity of Sponsor

GENERAL CAPITAL FLOW



FEES AND NET BENEFIT

\$10 Million Sample Transaction

Total NMTC Allocation	\$10,000,000	
Total Tax Credits	\$3,900,000	<i>39% of Allocation</i>
<hr/>		
Total NMTC Equity (Gross) from Investor	\$3,081,000	<i>\$.79 Investor Pricing for Tax Credits</i>
<hr/>		
Fees and Closing Costs*:		
CDE Up-Front Fees	\$400,000	<i>4% of Allocation</i>
CDE Annual Asset Management Fees	\$245,000	<i>\$35,000 / Year for 7 Years (.35% of Allocation x 7 Years)</i>
CDE Annual Audit/Tax Fees	\$96,000	<i>\$12,000 / Year for 8 Years</i>
Closing Costs (Legal Accounting, etc.)	\$350,000	<i>Fees Vary Based on Complexity of Deal</i>
<hr/>		
Total CDE Fees + Closing Expenses	\$1,091,000	
<hr/>		
Net Benefit to Project	\$1,990,000	<i>(Total NMTC Equity from Investor less Total CDE Fees + Closing Expenses)</i>

*Fees shown here are representative of typical fee amounts in NMTC industry; fees will vary among CDEs and for different deals

04 Sample Projects

NEXUS RECOVERY CENTER

Dallas, TX

Overview

- Construction of a new, 9,530 SF Doswell Medical Building to house admissions, medical detox, psychiatric services, and medication assisted treatment programs for Nexus Recovery Center
- \$9 million in NMTC allocation to support \$9.3 million project
- NMTC Net Benefit: ~\$1.6 million



Key Impacts

- Provides more than 1,900 low-income women annually with medical detox, medication assisted treatment, and co-occurring psychiatric substance disorder services
- Comprehensive services include medical detox, psychiatric evaluations and counseling, residential programs, prenatal and postnatal care for pregnant clients, outpatient services, peer support, and childcare



VOGEL ALCOVE AT REDBIRD

Dallas, TX

Overview

- Buildout of a new 15,000 SF childcare and resource center at the Shops at Redbird to expand Vogel Alcove's capacity to serve low-income and homeless families
- \$6 million in NMTC Allocation to support \$6.1 million project
- NMTC Net Benefit: \$1 million

Key Impacts

- Provides trauma-informed early childhood care and enrichment to 134 unique students
- Wrap-around support includes developmental support and onsite pediatric health services
- Offers multi-generational family support, including career training and readiness, financial literacy classes, housing support, and case management to support self-sufficiency



RESOURCE CENTER

Dallas, TX

Overview

- Acquisition and rehabilitation of a 20,000 SF building into a new LGBTQIA+ health campus for Resource Center
- \$7 million in NMTC Allocation to support \$10 million project
- NMTC Net Benefit: ~\$1.2 million

Key Impacts

- Project serves 3,200+ individuals annually with a variety of health services addressing the needs of the LGBTQIA+ community
- Services include primary healthcare, HIV testing and treatment, outpatient medical care, food pantry access, congregate meals program, insurance assistance, and case management



DORMAE PRODUCTS

Dallas, TX

Overview

- Owner-occupied real estate transaction
- NMTCs supported 297,000 SF mattress manufacturer
- \$9 million in NMTC allocation to support \$14 million project
- NMTC Net Benefit: ~\$2MM

Key Impacts

- Created nearly 100 high quality jobs that are accessible to low-income persons
- All jobs have full-benefits and pay average hourly wage in excess of \$18
- Located in highly distressed area of Southern Dallas



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PROJECT ELIGIBILITY: RESIDENTIAL PROJECTS

Single Entity, Mixed-Use Project

- Cannot use LIHTCs
- 20%+ affordable units to 80% of AMI
- 30%+ of revenue from commercial rent, verified by substantial preleasing (20% is theoretical minimum but “market” minimum is higher)

Bifurcated Mixed-use Project

- Separate entities for Residential and Commercial Components
- NMTC to support commercial component
- Other financing sources (including LIHTC) to residential component

Both scenarios need commercial tenants that support NMTC programmatic objectives (e.g., health clinic, grocery, early childhood education, etc.)

STRUCTURING: THE “LEVERAGE MODEL”

