

Memorandum



CITY OF DALLAS

DATE September 23, 2024

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

SUBJECT **Amendment to Council Resolution 19-1495 authorizing payment for legal services provided to DHADC by Linebarger, Goggan, & Sampson, LLP and appropriation of funds to the DHADC**

The purpose of this memorandum is to brief the Housing and Homelessness Solutions Committee (HHS Committee) on an upcoming Dallas City Council agenda item to amend Resolution 19-1495 to: **1)** allow \$536,500.00 in unobligated bond funds to be used to pay for legal services provided to the DHADC by Linebarger, Goggan & Sampson, LLP; **2)** appropriations not to exceed \$300,000.00 in General Funds for property management and administrative costs for the DHADC; and **3)** establish appropriations not to exceed \$1,000,000.00 in the Mixed Income Housing Development Bonus Fund to the DHADC for land acquisitions, land management, and fees.

On September 12, 2018, City Council authorized the City Manager to appropriate up to \$1,500,000.00 in 2006 General Obligation Bond Funds to the Urban Land Bank Demonstration Program for capital costs related to acquisition and disposition of unimproved, tax-foreclosed, real property for the development of affordable housing or other commercial purposes by Resolution No. 18-1287.

On September 25, 2019 City Council authorized the DHADC to enter into a one-year contract commencing on October 1, 2019, with four one-year renewal options with Linebarger Goggan Blair & Sampson, LLP to provide legal services related to the acquisition and sale of up to 30 lots sought to be acquired by DHADC during the one-year term of the contract and up to the same number of lots for each subsequent renewal annually from the 2006 General Obligation Bond Fund from the Economic and Southern Area Transit Oriented Development Fund by Resolution No. 19-1495.

The DHADC paid Linebarger for services from the DHADC bank account. However, all of these payments have not yet been reimbursed from the obligated funds, which has resulted in a balance of \$536,500.00 remaining in unobligated funds. This remaining balance is available for future use, and it is essential for the continued operations of the DHADC.

Housing and Community Development has approximately \$300,000.00 in General Funds to cover necessary fees and administrative costs for the DHADC to expand its efforts in managing the Land Bank and Land Transfer programs. These funds are needed to

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PAGE 2 of 2

support essential services such as legal fees, insurance, environmental reviews, and compliance monitoring.

Created in 2019 and amended in 2022, the Mixed Income Housing Development Bonus (MIHDB) program was developed to incentivize affordable housing development through various zoning bonuses; and the MIHDB program fees and fees in-lieu of affordable housing are added to the MIHDB Fund and intended to be used to produce and preserve affordable housing, further equity, and to promote strong communities.

In keeping with the mission of the MIHDB program, we request an in the amount not to exceed \$1,000,000.00 from the MIHDB Fee-in-Lieu funds to the DHADC. These funds will be used to cover costs associated with program administration, property acquisitions, and other related expenses. This appropriation aligns with the MIHDB's goal of supporting the development and preservation of affordable housing within the city, ensuring that resources are effectively utilized to achieve these objectives.

Staff recommends that the Housing and Homelessness Solutions Committee move this item forward to City Council so that it may consider and approve the above-referenced items pursuant to the terms set forth in this memorandum.

Should you have any questions or require any additional information, please contact me or Cynthia Rogers-Ellickson, Director, Department of Housing & Community Development at cynthia.rogers.ellic@dallas.gov or 214-670-3601.

Service First, Now!



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