

# Memorandum



CITY OF DALLAS

DATE May 26, 2026

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

**Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), 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 June 24, 2026, to authorize the Dallas Public Facility Corporation (Corporation) **(1)** to acquire an unimproved property, develop and own Thirty21 an 86 unit mixed-income multifamily development to be located at 3021 Martin Luther King, Jr. Boulevard, Dallas, Texas 75215 (Project); and **(2)** enter into a seventy-five-year lease agreement with Phoenician Development Group, 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, the 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).

On April 12, 2023, by Resolution No. 23-0444, the City Council adopted the Dallas Housing Resource Catalog (DHRC), which contains the approved city-supported housing programs, corporations, funding, and compliance tools, used to develop and maintain mixed-income housing through the Office of Housing and Community Empowerment (OHCE). On April 22, 2026, by Resolution No. 26-0742, the City Council authorized an amendment to the DHRC and the program statement for the Dallas Public Facility Corporation, which establishes a clearer and more consistent process for reviewing projects that seek City support. Additionally, the amendment requires the

DATE May 26, 2026

SUBJECT **Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), for the development of the Project**

PAGE **Page 2 of 6**

Corporation to prioritize new construction of mixed-income housing in areas with poverty rates greater than 20%, areas with higher-than-average appraised values of real estate as compared to the city-wide values, or in designated high-opportunity areas with poverty rates below 20%.

This Project advances this priority by developing new housing units in an area with a poverty rate greater than 20%. The Project is located in census tract 203 in District 7 with 22.5% poverty. The fair housing rating is low positive.

Phoenician Development Group, LLC. (Applicant), a Texas limited liability company, submitted an application to the Corporation for the development of Thirty21, an 86-unit new construction multifamily development to be located at 3021 Martin Luther King, Jr. Boulevard, Dallas, Texas 75215 (Project). The Project is not located within any Tax Increment Financing (TIF) District or Public Improvement District (PID). The development is a new construction project, and the Corporation will own the site and improvements and lease the Project back to the Applicant and/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 1% of the units at below 60% AMI, 40% of the units at below 80% AMI, and the remaining 50% of the units will be at a fair market rate without income restrictions.

On April 28, 2026, the DPFC Board of Directors adopted a resolution authorizing the negotiation and execution of a term sheet for Thirty21 in partnership with Phoenician Development Group, LLC. The Applicant is a Texas-based limited liability company with real estate development experience. Phoenician Development Group, LLC specializes in complex infill development, capital structuring, and public private aligned transactions that require disciplined underwriting and strategic execution.

## **PROJECT OVERVIEW**

The Project will be located at the North-East corner of the intersection of Martin Luther King, Jr. Boulevard and Meadow Street on 0.91 acres that is currently a vacant Save a Lot grocery store that the applicant purchased in 2023. After closing, the developer will be required to secure the property within 60 days and maintain security until the project is completed. Amenities will include a fitness center, business and technology center, community park space, 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

DATE May 26, 2026

SUBJECT **Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), for the development of the Project**

PAGE **Page 3 of 6**

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:

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>Rent</b>
Efficiency	60%	4	\$1,050.00
Efficiency	80%	13	\$1,450.00
Efficiency	Market	14	\$1,450.00
1BR	60%	3	\$1,231.00
1BR	80%	10	\$1,671.00
1BR	Market	11	\$1,861.00
2BR	60%	3	\$1,471.00
2BR	80%	10	\$2,000.00
2BR	Market	11	\$2,378.00
3BR	60%	1	\$1,698.00
3BR	80%	3	\$2,308.00
3BR	Market	3	\$2,571.00

Reserving units for individuals and families earning between 60% and 80% AMI provides affordable housing for households that earn above the low-income housing tax credit income limit of 60% AMI but would be cost-burdened by market rents. Household incomes between 60% and 80% of AMI range from approximately \$49,320.00 to \$65,700.00 for an individual and increase with family size and reflect average incomes across a variety of employment sectors, such as teachers, first responders, government employees, and health care providers.

Total development costs are anticipated to be approximately \$20,006,387.00 which includes the acquisition price for the land. The development budget less soft/financial costs is anticipated to be approximately \$13,327,170.00 which is \$154,697.09 per unit.

<b>Proposed Financing Sources</b>	<b>Amount</b>
Mortgage Loan	\$ 13,900,00.00
Developer/Investor Equity	\$ 6,106,387.00
Total	\$20,006,387.00
<b>Proposed Uses</b>	<b>Amount</b>
Development Costs	\$10,674,220.00
Land Acquisition	\$ 1,520,000.00
Soft Costs/Other Costs	\$ 6,679,217.00

DATE May 26, 2026

SUBJECT **Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), for the development of the Project**

PAGE **Page 4 of 6**

Contingency	\$ 1,132,950.00
Total	\$20,006,387.00

**PROJECT IMPACT**

City staff reviewed the Project for alignment with the DHRC and confirmed the following:

Census Tract Poverty Rate	22.5%
Designated High Opportunity Area	No
Appraisal Values Higher than City-wide Values	No
Construction Type	New Construction

The Fair Housing rating for the Project is low positive. The City uses the Fair Housing Review Worksheet to assess projects based on measurable factors, including poverty levels, opportunity indicators, income mix, ADA accessibility, anti-displacement efforts, resident services, and outreach. Each project receives an overall impact rating from High Positive to High Negative, showing how it supports fair housing goals. To receive City support, a project must earn a neutral or positive rating, demonstrating that it promotes fair housing and inclusive, stable communities.

The Project will be owned by the DPFC and leased to the Applicant and other potential owners for 75 years. Over 60 years, the DPFC is estimated to receive \$37,741,278.00 in revenues and rental savings, including \$11,583,502.00 in fee payments to the DPFC and \$26,157,776.00 in rent savings directly to residents. Potential proceeds to the DPFC include (1) a \$100,000.00 structuring fee paid at closing; (2) lease payments starting at \$65,000.00 and increasing by 3% annually upon stabilization; (3) 15% of net sale proceeds upon first capital event, and (4) 2% of gross profits on all future capital events. In the event of a sale during the Project's lifetime, DPFC will continue to receive annual lease payments. Upon completion of the lease, DPFC will own the Project free and clear.

DPFC revenues will support DPFC operations and be reinvested in attainable housing. The Project results in foregone City tax revenue while the DPFC owns the asset. The current tax bill is \$3,270.38, with a 60-year estimate of \$533,246.70 in foregone taxes. However, the workforce housing rental savings of \$26,157,776.00 over 60 years and the estimated \$11,583,502.00 in Project revenues provide the City with \$37,208,031.30 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

DATE May 26, 2026

SUBJECT **Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), for the development of the Project**

PAGE **Page 5 of 6**

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. 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, legal counsel, and 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](mailto:Thor.Erickson@dallas.gov).

Service First, Now!



M. Elizabeth (Liz) Cedillo-Pereira, J.D.  
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager  
Bertram Vandenberg, City Attorney (I)  
Mamatha Sparks, City Auditor (I)  
Biliera 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  
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

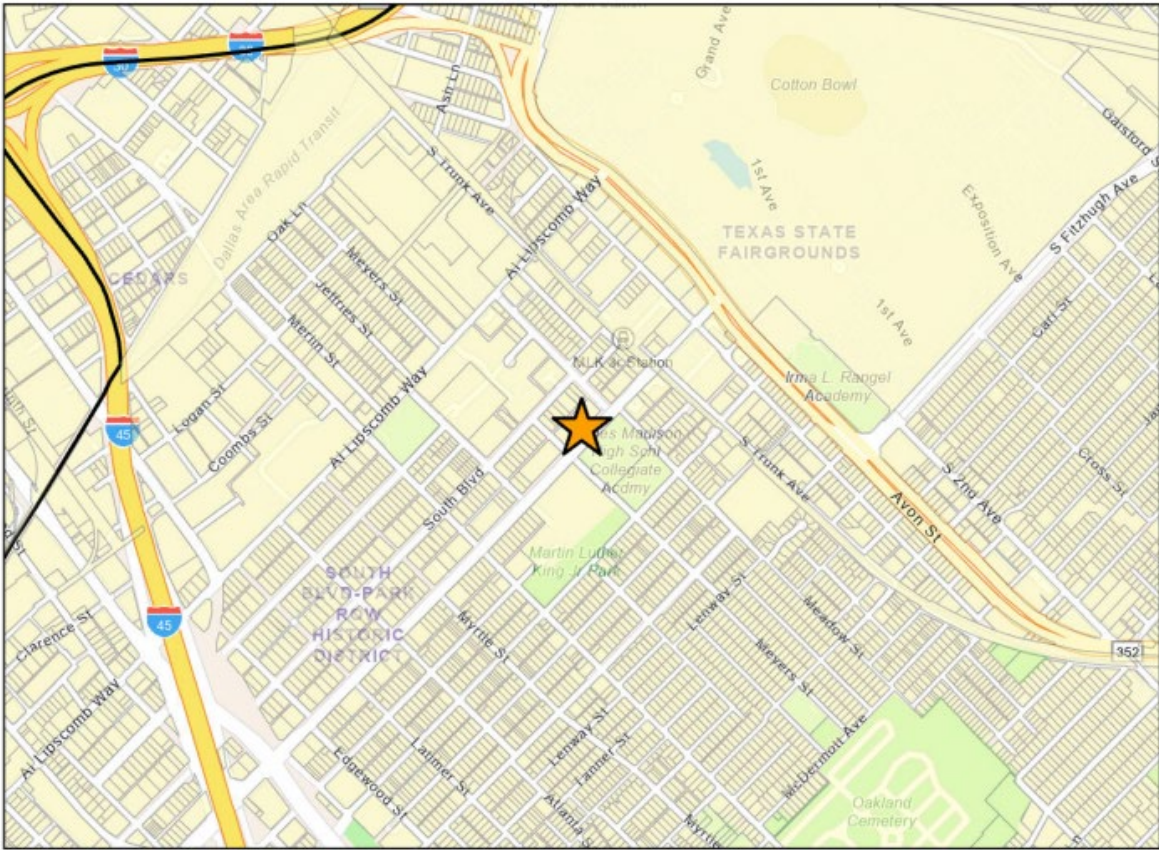
DATE May 26, 2026

SUBJECT **Upcoming Agenda Item: June 24, 2026, City Council Agenda Item #26-1693A Authorize the Dallas Public Facility Corporation (DPFC) to acquire, develop, and own Thirty21, a mixed-income, multifamily development to be located at 3021 Martin Luther King Jr Blvd, Dallas, Texas 75215 (Project); and enter into a seventy-five-year lease agreement with Phoenician Development Group, LLC and/or its affiliate (Applicant), for the development of the Project**

PAGE Page 6 of 6

**EXHIBIT A: PROJECT LOCATION**

**Thirty21  
3021 Martin Luther King Jr Blvd  
Council District 7**



**Legend**

- Council Districts (Implemented on May 6, 2023)
- DHFC Completed Projects
- DPFC Completed Projects
- Project Location Current
- TDHCA LIHTC Project List
- Appraisal District Parcels 2025

**Terminology:**  
DHFC: Dallas Housing Finance Corporation  
DPFC: Dallas Public Facility Corporation  
LIHTC: Low income Housing Tax Credit  
TDHCA: Texas Department of Housing and Community Affairs

