

Memorandum



CITY OF DALLAS

DATE April 29, 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 Item: Authorize a Chapter 380 Economic Development Agreement and all other necessary documents (“Agreement”) with Veterans Community Project and/or its affiliates (“Developer”) for the Veterans Community Project Village (“Project”), 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”) in consideration of 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, in accordance with the Economic Development Incentive Policy**

On May 27, 2026, staff will seek City Council authorization of a Chapter 380 Economic Development Agreement and all other necessary documents (“Agreement”) with Veterans Community Project and/or its affiliates (“Developer”) for the Veterans Community Project Village (“Project”), 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”) in consideration of 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. The Project is located in City Council District 4.

Since 2015, the City of Dallas has owned the Property. Over the past decade, the City has issued three Requests for Proposals (RFPs) soliciting private development proposals for the Property. None of the RFPs resulted in the execution of any agreement or the delivery of any development project. After the most recent RFP process ended, the City Manager’s Office directed the Office of Economic Development (OED) to begin to identify potential partners/projects for the Property. As a result, over the past six months, OED has been coordinating with City Council Member Johnson to explore the possibility of a new veterans-focused, non-profit transitional housing development at the Property led by Veterans Community Project (VCP).

VCP proposes to deliver a proven, innovative model for addressing veteran homelessness through transitional housing and wrap-around support services.

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VCP is a national 501(c)(3) non-profit organization founded by combat veterans and dedicated to fixing veteran homelessness. VCP builds and operates specialized communities 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. Since opening their first community in 2018 in Kansas City, Missouri, VCP has expanded to six locations across five states, earning national recognition for their scalable, community-based approach that pairs local engagement with centralized support systems.

The VCP Project in Dallas would create a community of approximately 50 stand-alone 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) that would be available at no charge to qualified veterans experiencing homelessness. Additionally, the VCP Project would create a community center to include office and caseworker space, a fellowship hall, conference rooms, restrooms, a dog washing room, and flex space to support the residents or other veterans in need.

To effectuate the Project, in accordance with Section IV(4)(b) of the City of Dallas Economic Development Incentive Policy adopted by City Council on January 25, 2023, by Resolution No. 23-0220, and as amended, and Section 253.0125 of the Texas Local Government Code, OED staff is proposing the conveyance (fee simple estate) of the City-owned property to VCP for consideration in the form of a Chapter 380 economic development agreement requiring the use of the property to promote a public purpose of the City relating to economic development.

Chapter 253 of the Texas Local Government Code was amended in 2023 to allow for this scenario, and the City’s Economic Development Incentive Policy was amended by City Council in March 2024 to reflect the change in Chapter 253.

Please see the attached **Exhibit A** for more detailed information regarding the proposed Project. Should you have any questions, please contact Heather Lepeska, Deputy Director, Office of Economic Development, at (214) 670-1222 or email: heather.lepeska@dallas.gov.

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Service First, Now!



Robin Bentley
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
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

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors



**SERVICE
FIRST,
NOW!**

Veterans Community Project Village (City Council District 4)

Economic Development Committee

May 4, 2026

Kevin Spath

Director

Office of Economic Development

Heather Lepaska

Deputy Director

Office of Economic Development



Overview



- **Background: Site**
- **Background: Veterans Community Project (VCP)**
- **Proposed Project**
- **Staff Recommendation**
- **Next Step**

Background: Site

- 7.33 acres of City-owned vacant land generally located west of S. Lancaster Road, south of Mentor Avenue, and east of Denley Drive (“Property”)
 - consists of 30 individual lots/parcels of land
 - zoned Planned Development (PD) 855
- City has owned the Property since 2015
- tax-exempt
- approximately 100 feet from the Dallas Veteran’s Administration Medical Center
- approximately 50 feet from DART’s VA Medical Center Station (blue light rail line)
- current estimate of fair market value: \$1.5 million



Background: Site

- City formally issued Request for Proposals (RFPs) in 2016, 2019, and 2021 to solicit private development proposals for the Property
- None of the RFPs resulted in the execution of any development agreement or the delivery of any development project
- After the most recent RFP process ended, the City Manager's Office directed the Office of Economic Development to begin to identify potential partners/projects for the Property
- As a result, over the past 6+ months, Office of Economic Development has been coordinating with City Council Member Johnson to explore the possibility of a new veterans-focused, non-profit transitional housing development at the Property led by Veterans Community Project (VCP)



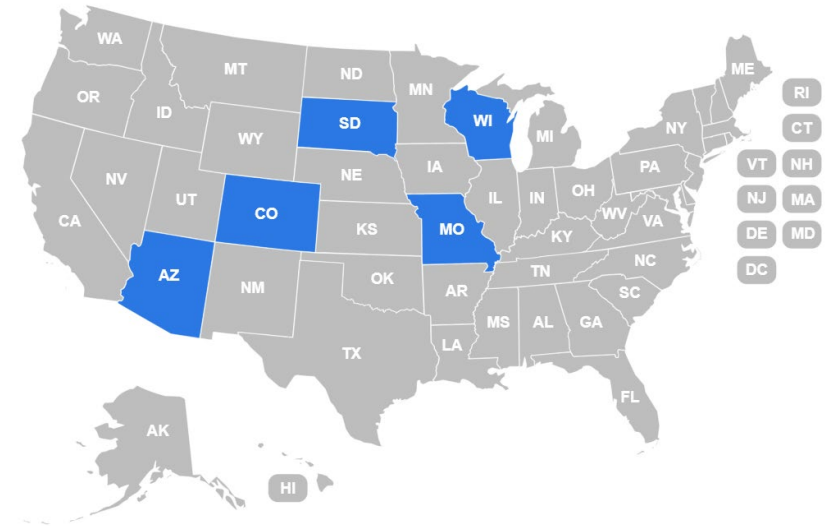
Background: Veterans Community Project

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

Since inception in 2018, VCP has helped over 8,000 veterans by building and operating specialized and secure communities 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.

VCP opened their first community in 2018 in Kansas City, Missouri and has since expanded to 6 communities in 5 states, earning national recognition for their scalable, community-based approach that pairs local engagement with centralized support systems.

- Glendale, AZ
- Kansas City, MO
- Longmont, CO
- Milwaukee, WI
- Sioux Falls, SD
- St. Louis, MO



**SERVICE
FIRST,
NOW!**

Background: Veterans Community Project

Mission Statement: Veterans housing Veterans, armed with the strength and support of the community

Core Values

- *Veterans*
 - Serve Veterans with dignity, humility, and honesty.
- *Community*
 - Rely on the strength of the community to support Veterans.
- *Project*
 - Act with integrity, compassion, and urgency.

Transitional housing is available for anyone who took the oath to serve, regardless of discharge status, type of service, or length of service



Background: Veterans Community Project

VCP villages provide transitional small homes (non-congregate) and specialized wrap-around support services. VCP villages offer secure and private housing and on-site 1:1 case management using their H.O.M.E.S Index framework to help veterans regain stability

- **H**ealth and well-being
- **O**pportunity for education and training
- **M**oney management
- **E**arnings and income stability
- **S**upport network

Average stay: 322 days; 85% of veterans transitioning from homelessness achieve sustainable permanent housing

In 2025, 1,727 at-risk and in-crisis veterans received assistance through VCP with 60 new veterans receiving housing

Background: VCP H.O.M.E.S. Index

Health & Wellness

- Evaluate a Veteran's physical, mental, and emotional well-being.
- Measures access to medical care, daily functioning, healthy habits, and self-care practices.

Opportunities for Education & Training

- Assess clarity of goals, access to education or training programs, and confidence in learning new skills.
- Measures whether Veterans are actively building qualifications tied to future opportunities.

Money Management

- Evaluate financial literacy and daily money habits.
- Measures budgeting, tracking income and expenses, bill payment, decision-making confidence, and emergency savings.

Earnings & Income Stability

- Evaluate whether income is steady, sufficient to meet basic needs, and capable of growth.
- Focus on employment and long-term financial security.

Support Network

- Evaluate whether Veterans have trusted individuals, emotional support, community involvement, and access to new support systems when needed.
- Measure connection and belonging.

Proposed Project: Summary

City will convey the Property to VCP at no cost

VCP will design, fund, construct, operate, and maintain a Veteran Community Project Village on the Property

VCP will deliver all site improvements including grading, paving, utilities, surface parking, irrigation, landscaping, hardscaping, lighting, security fencing, and perimeter streetscape improvements

VCP will deliver new ground-up construction of a minimum of 50 stand-alone residential units with an appearance of small cottage homes, a 6,000 sq ft community center, and site amenities (“Project”)

Homes will be site-built on permanent foundations with full bathroom, dedicated sleeping space, efficiency kitchen, and a covered porch

Two types of homes:

- Individual studio (minimum 240 sq ft)
- Family-size (minimum 320 sq ft)

Preliminary estimated total Project cost: \$15 million, including remaining due diligence and pre-development activities, soft costs, hard construction costs, and furniture, fixtures, and equipment

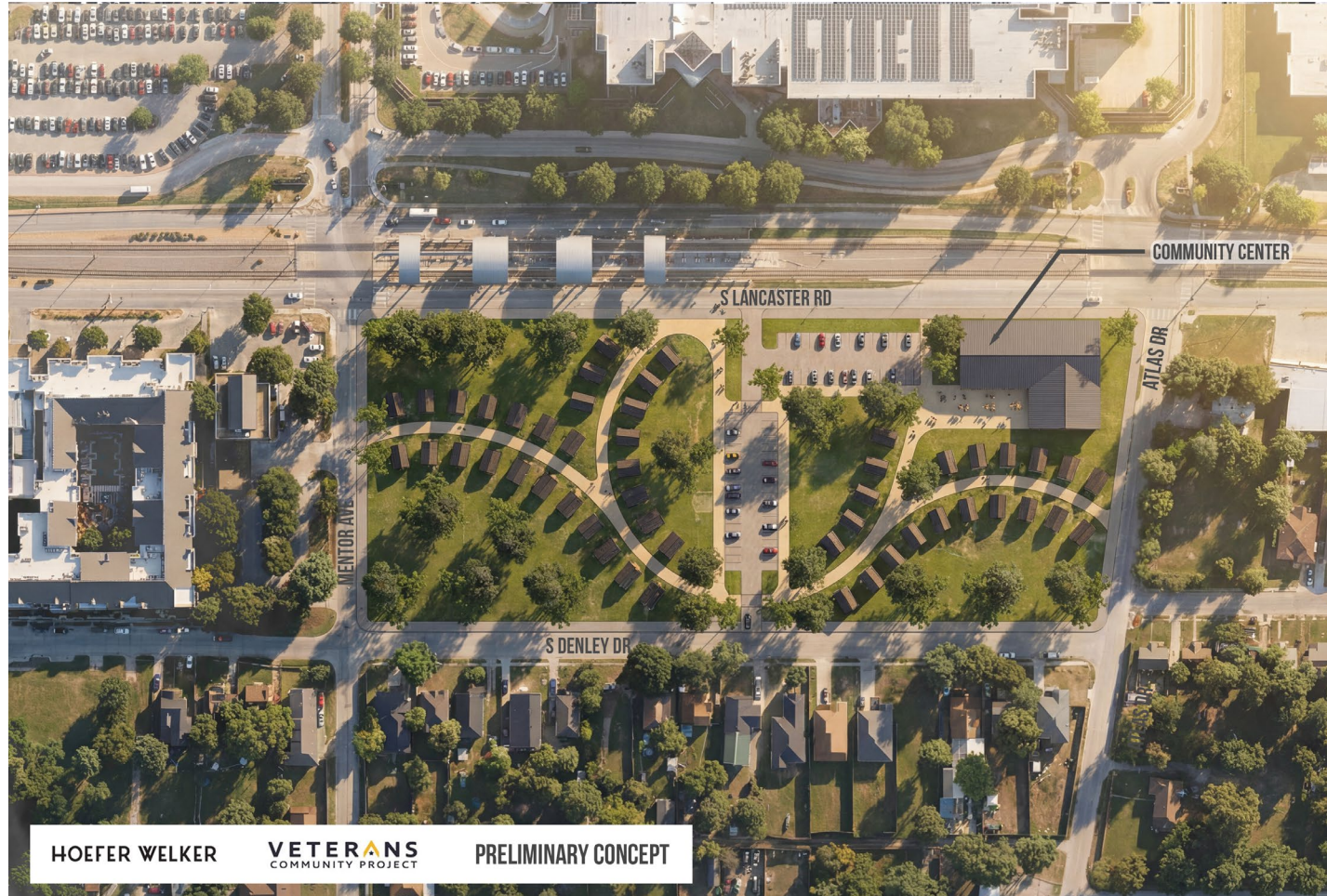
Community Center

- office/caseworker space
- fellowship hall
- conference rooms
- restrooms
- dog washing room
- flex space

Amenities

- gazebo/open air shade structure
- barbeque grilling area
- walking path
- small dog park

Proposed Project: Preliminary Concept



Proposed Project: Preliminary Concept



HOEFER WELKER

VETERANS
COMMUNITY PROJECT

PRELIMINARY CONCEPT

Staff Recommendation

To effectuate the Project, in accordance with Section IV(4)(b) of the City of Dallas Economic Development Incentive Policy and Section 253.0125 of the Texas Local Government Code, OED staff recommends the conveyance (fee simple estate) of the Property to VCP for consideration in the form of a Chapter 380 economic development agreement (“Agreement”) requiring the use of the Property to promote a public purpose of the City relating to economic development, as described herein.

Prior to the City’s execution of the Agreement, the Developer shall:

- a) 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) of the construction funding needed for the Project (with an estimated budget based on final design development plans), and
- b) 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 in year one and increasing 3% annually. The business plan shall also include a replacement reserve of \$50,000 in year one and increasing 3% annually.

Staff Recommendation: Agreement Requirements

Minimum Investment. Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$10,000,000 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

Minimum Project Requirements. The Developer shall accept conveyance of the 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 (c),(d), and (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.

Staff Recommendation: Agreement Requirements

Right-of-Entry and Due Diligence. 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.

Property Acquisition and Right-of-Reverter. 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-reverter 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-reverter 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-reverter. 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.

Staff Recommendation: Agreement Requirements

Pre-Development, Permitting, and Building Permit Deadline. 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.

Substantial Completion Deadlines. Developer shall complete the Minimum Project Requirements described on Slide 13 (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 on Slide 13 (e) herein as evidenced by approval by the Director by December 31, 2030.

Staff Recommendation: Agreement Requirements

Public Access to Infrastructure not owned by City. 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.

Small Business Inclusion in Construction. 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.

Staff Recommendation: Agreement Requirements

Operating and Maintenance Agreement for Non-Standard Public Improvements. 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.

Staff Recommendation: Agreement Requirements

Design. The City's Urban Design Peer Review Panel ("UDPRP") is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Prior to December 31, 2026, Developer shall present the Project to the 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.

Staff Recommendation: Agreement Requirements

Local Hiring. 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 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.

Minor Modifications. 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 the Force Majeure provision on Slide 21.

Staff Recommendation: Agreement Requirements

Security and Compliance Period. Upon Substantial Completion, the Developer shall be required to operate the Project for no less than twenty (20) years. The Developer's performance obligations of the Project and the City's right-of-reverter 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.

Sale of the Property/Assignment of the Agreement. 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 (1) that is owned or controlled by Developer or (2) is under common ownership or control with Developer.

Staff Recommendation: Agreement Requirements

Force Majeure. Notwithstanding any other provision herein to the contrary, in the event the Director determines (which determination shall not be unreasonably withheld, conditioned, or delayed) the Project has been delayed as a result of Force Majeure, after being provided written notice by Developer, Developer shall have additional time to complete the Project, as may be required in the event of Force Majeure, defined herein, so long as Developer is diligently and faithfully pursuing completion of the Project, as determined by the Director (which determination shall not be unreasonably withheld, conditioned, or delayed). 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 (which determination shall not be unreasonably withheld, conditioned, or delayed) 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 (unless caused by acts or omissions of Developer), 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 (which approval shall not be unreasonably withheld, conditioned, or delayed).

Next Step

May 27, 2026 City Council

- Upcoming agenda item: Authorize a Chapter 380 Economic Development Agreement and all other necessary documents (“Agreement”) with Veterans Community Project and/or its affiliates (“Developer”) for the Veterans Community Project Village (“Project”), 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”) in consideration of 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, in accordance with the Economic Development Incentive Policy

EXHIBIT A



Veterans Community Project Village (City Council District 4)

Economic Development Committee

May 4, 2026

Kevin Spath

Director

Office of Economic Development

Heather Lepaska

Deputy Director

Office of Economic Development

