

Memorandum



CITY OF DALLAS

DATE October 21, 2021

Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Amendment to Conditional Grant Agreement – St Jude, Inc.**

This memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on October 25, 2021 to authorize an amendment to the conditional grant agreement with St. Jude, Inc. to modify the income restrictions of the St. Jude Center – Park Central, a permanent supportive housing development located 8102 LBJ Freeway, Dallas, Texas 75251.

Background

On January 27, 2021, City Council authorized a condition grant agreement St. Jude, Inc. (St. Jude) in an amount not to exceed \$3,300,000.00 in consideration for the renovation of The St. Jude Center – Park Central (Project), a 180-unit permanent supportive housing development. The Project consisted of two phases and is currently transitioning from Phase 1 to Phase 2.

As part of Phase 1, the City executed a contract with Dallas County to provide \$2 million in Coronavirus Relief Funds for the acquisition of the Project by St. Jude, or its affiliate, approved by City Council on November 11, 2020 by Resolution No. 20-1789. Phase 2 includes the renovation of the Project to house individuals experiencing homelessness. In total, the Phase 2 renovation will result in 180 permanent supportive housing units that are approximately 350 square feet each. The gradual transition from Phase 1 to Phase 2 is ongoing in conjunction with City, County, and other stakeholders.

The conditional grant agreement currently requires that all 180 units of permanent supportive housing be reserve for residents earning at or below 30% Area Median Income (AMI). In order to better serve a broader population of persons experiencing homelessness in need of permanent supportive housing, Staff recommend the income restrictions of the Project be modified to require 60% of the 180 permanent supportive housing units be reserved for residents earning at or below 50% AMI and 40% of the 180 permanent supportive housing units shall be reserved for residents earning at or below 80% AMI. Persons experiencing homelessness often have incomes over 30% AMI and the current income restrictions prevent such a population from receiving housing.

The St. Jude application received a fundable score of 100.00 points through the Department of Housing and Neighborhood Revitalization's standing Notice of Funding Availability (NOFA) Process. The Project also met the criteria for consideration for the use of Proposition J Homeless Bond funds. St. Jude's NOFA application included the

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above income restrictions and not the current 30% AMI income restrictions. In addition, the third-party underwriting report for this development contemplated the 50% AMI and 80% AMI income restrictions and confirmed the financial gap based on these terms.

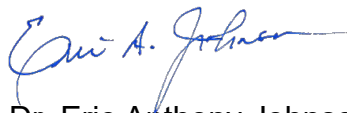
St. Jude, Inc. is a subsidiary of Catholic Housing Initiative. Since 1992, the Catholic Housing Initiative has developed over 1,400 units of housing—the majority of which are affordable and senior housing projects. Those projects represent over \$75 million in total investment. At present, Catholic Housing Initiative owns and manages over 900 units of affordable and senior housing units.

City Council previously approved two resolutions for this project. The first, on November 11, 2020, City Council approved an Interlocal Agreement with Dallas County for COVID-19 supportive housing for persons experiencing homelessness as part of a cost share agreement between the City of Dallas and Dallas County for the St. Jude Center – Park Center Project, in an amount not to exceed \$2,000,000.00. The second, on January 27, 2021, City Council authorized a conditional grant agreement in an amount not to exceed \$3,300,000.00 with St. Jude, Inc. for 180 permanent supportive housing for persons experiencing homelessness by Resolution 21-0213.

Staff Recommendation

Staff recommends Council approval of the item as detailed herein. The amendment will serve a broader population of persons experiencing homelessness in need of permanent supportive housing.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@DallasCityHall.com or 214-670-3619.



Dr. Eric Anthony Johnson
Chief of Economic Development & Neighborhood Services

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