



Legislation Text

File #: 21-1547, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: September 22, 2021
COUNCIL DISTRICT(S): 7
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize **(1)** the transfer of improved property located at 5210 Bexar Street (“Property”) to H.I.S. BridgeBuilders subject to restrictive covenants, a right to revert, and execution of all necessary documents, pursuant to Section 253.011 of the Texas Local Government Code (“Code”); and **(2)** execution of an agreement pursuant to the Code to ensure that the Property is used in a manner that primarily promotes a public purpose of the City - Financing: No cost consideration to the City

BACKGROUND

In 2008, the City of Dallas Housing and Neighborhood Revitalization Department (Housing) entered into a loan agreement with Kaminski Holdings, Inc., a for-profit developer, to develop a mixed-use property at 5210 Bexar Street in Council District 7. Housing provided financial support for the project with \$527,941.00 in HOME Investment Partnership funds, \$667,059.00 in Community Development Block Grant (CDBG) Funds and \$31,500.00 in General Obligation (GO) Bond Funds. In 2011, the building was completed and occupied with seven rental units and five store front office spaces.

In 2019, Housing received notice of acceleration on a tax lien from a third-party tax lender that placed the existing agreement in default with the City. After several failed attempts to remedy the default with Kaminski Holdings, Inc., on September 1, 2020 the City foreclosed on Property and secured the property. On October 15, 2020, a one-year property management agreement with East Dallas Community Organization was executed while a Request for Applicants (RFA) was developed to provide the City with options for disposition of the property, including possible conveyance of the property to a qualified non-profit to carry out, and serve the City’s public purpose.

On June 4, 2021, Housing posted a Request for Applications that remained open for 30 days. Three applications were received from Builders of Hope, Land Link Realty LLC, and H.I.S. Bridgebuilders. After a review of the three applications by a panel of reviewers, staff recommends H.I.S. Bridgebuilders for disposition of the property. Under Code, the City may transfer property to a nonprofit organization, without complying with the notice and bidding requirements for the sale of public lands provided for in Section 272.001(a) of the Texas Local Government Code and other law,

for and in consideration of an agreement between the parties that requires the nonprofit organization to use the property in a manner that primarily promotes a public purpose of the City. The agreement must also include a provision that ownership of the property shall automatically revert to the City if the nonprofit organization at any time fails to use the property in that manner.

H.I.S. Bridgebuilders is a nonprofit organization that has been serving the community of Bonton for 25 years and its executive office and job training program is located at Property. H.I.S. BridgeBuilders, in conjunction with other entities has provided job training for the community for over a decade. H.I.S. BridgeBuilders Driving Academy is currently in the pilot stage with plans to expand once the building is acquired.

H.I.S. BridgeBuilders application received strong community support from Queen City Neighborhood Association, South Dallas/Fair Park Faith Coalition, Bonton Neighborhood Association and Cornerstone Baptist Church. The applicant has positive cash flow, a reliable 10-year proforma, is familiar with the area where the building is located and has been providing services to the community for over 25 years.

Dalcor Property Management (DPM) will partner with H.I.S. BridgeBuilders to manage the day-to-day activity on the property. DPM currently manages 4,200 affordable housing units on properties throughout the DFW Metroplex as well as in other parts of Texas and Florida.

Housing will enter into an agreement with H.I.S BridgeBuilders, whereby H.I.S. BridgeBuilders will commit to use the property in a manner that primarily promotes a public purpose of the City, including specifically to maintain the property as a mixed-use property with affordable housing during a required affordability period 20 years, and to support economic development activities through leases to privately owned businesses on the existing retail/commercial spaces. Deed restrictions will remain on the property to ensure that the requirements above are met.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 9, 2018, City Council adopted a Comprehensive Housing Policy (CHP) that supports affordable housing for rental units for low-income bands that will be prioritized within the housing goals while also overcoming concentrations of poverty and racial segregation by Resolution No. 18-0704.

The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on August 23, 2021. <<https://cityofdallas.legistar.com/View.ashx?M=F&ID=9720668&GUID=ECFA658D-E12B-4551-9D99-7E1A4B5A17A6>>

FISCAL INFORMATION

No cost consideration to the City.

OWNER

H.I.S. BridgeBuilders

Jonathan Fechner, President

MAP

Attached