



Legislation Text

File #: 21-1876, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: November 10, 2021
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize an amended and restated conditional loan agreement (Agreement) with South Dallas/Fair Park Inncity Community Development Corporation for the Spring Avenue project to **(1)** extend the term of Agreement date to December 31, 2024 to complete construction and sale of eight townhomes and the associated parking; **(2)** allow for the City of Dallas to demolish the building at 4850 Brashear Street; **(3)** authorize the City to convey the property at 4850 Brashear Street to ICDC pursuant to Section 253.011 of the Local Government Code; **(4)** require ICDC to construct eight single family townhomes, on lots owned by ICDC, and sell the townhomes to families earning up to 140 percent of the area median income, for which ICDC will obtain forgiveness upon completion and sale of each property to a qualified homebuyer; **(5)** require a five year affordability period; and **(6)** authorize the execution of deed restrictions, and amended and restated deed of trust and note - Financing: No cost consideration to the City

BACKGROUND

South Dallas/Fair Park Inncity Community Development Corporation (ICDC) executed an Agreement with the City for the acquisition of improved and unimproved properties, associated relocation costs, and demolition within the Frazier Neighborhood Investment Program area to support residential and mixed-use redevelopment on September 2, 2008, by City Council Resolution No. 08-0595 approved on February 20, 2008 (Project). City Council approved various amendments to the authorizing resolution between 2009 and 2013. The commercial portion of the Project received a Certificate of Occupancy, on March 12, 2014, and is currently operating as a medical center, as further detailed below.

ICDC submitted a plan to complete the redevelopment along Spring Avenue in the Mill City Neighborhood and is requesting an extension of the General Obligation Bond conditional loan agreement in order to complete the final phase of the redevelopment. ICDC consulted with an architect and engineering firm to develop architectural plans and created a rendering to be used in marketing the development. This includes a Plat Map, Traffic Worksheet, Rezoning Landscape Plan, Rezoning Representation & Coordination with City of Dallas, and Additional ALTA Survey.

The 2006 Bond Election provided \$41.495 million dollars in General Obligation Bonds to provide funds for promoting economic development in the Southern Sector. This project was approved pursuant to the Economic Development Program for Southern Dallas, established under the Public/Private Partnership Program, approved on December 12, 2007 by the City Council.

Over the period of 2003-2008, master planning, leveraging of capital investments, public/private developments, and redevelopment took place in the Frazier Neighborhood Investment Program (NIP) Area. In order to implement components of the master plan, catalyst projects for new public/private development and redevelopment have been considered by City Council on an individual basis.

ICDC is one of the key Frazier Neighborhood community stakeholders and was authorized by the City to undertake the Spring Avenue Revitalization which is a component of the master plan. On February 20, 2008, City Council approved the first economic development loan for ICDC to begin acquisition of improved and unimproved properties, address any relocation issues, address environmental remediation, and demolish existing improvements in order to begin revitalization efforts.

As part of the project, ICDC built a 5,600 square foot commercial building that is currently leased by North Texas Prism Health (formerly AIDS Arms). Upon completion of the construction of North Texas Prism Health, \$1,634,823.00 is eligible to be forgiven by the City. The remaining amount under the grant is \$1,765,177.00.

Background on Public Infrastructure on Spring Avenue

Prior to 2014, the Neighborhood Investment Program (NIP) was developing the Spring Avenue corridor for street, sidewalk and utility improvements. During that year, the NIP was sunset, resulting in a loss of funding, creating incomplete infrastructure along Brashear Street, Troy Street and Spring Avenue. This significantly affected the development plans of ICDC.

Prior to NIP sunsetting, the City of Dallas Real Estate Division purchased the home at 4850 Brashear Street and provided relocation for the residents to construct the Troy/Spring Realignment, which also experienced significant delays. The building at 4850 Brashear Street, still owned by the City, remains unsecured and abandoned and is an impediment to the redevelopment of the 4800 block of Spring Avenue, Brashear Street and Troy Street.

The extension will enable ICDC to complete ongoing work related to development of the Mill City Market Garden, developed in partnership with Texas Discovery Gardens and the development of Mill City Townhomes.

This item also authorizes the conveyance of 4850 Brashear Street to ICDC. ICDC is a 501(c)(3) non-profit corporation and will commit to develop and use the property in a manner that primarily promotes a public purpose of the City and the greater community, including specifically the installation and maintenance of landscaping and parking benefiting the Mill City Townhome Development and surrounding community. The City may transfer the Property to a non-profit corporation pursuant to Section 253.011 of the Local Government Code without complying with the notice and bidding requirements as provided for in Section 272 of the Local Government Code for and in consideration of an agreement between the parties that requires the non-profit corporation to use the property in a manner that primarily promotes a public purpose of the City.

Background on Prior ICDC Projects in the Spring Avenue Area

In addition to this project, ICDC purchased over forty-four (44) improved and unimproved properties along Spring Avenue and Brashear Street within the Frazier area. The majority of these properties were remediated and demolished for redevelopment. ICDC facilitated design and partial implementation of improvements along Spring Avenue, Troy, Benton, Brashear and Elsie Faye Heggins with public utilities, new streets, and pedestrian amenities to include street furniture, street trees, enhanced lighting and wider sidewalks.

ICDC successfully built homes along the 4800 block of Spring Avenue. These homes are part of Frazier Courtyard Homes, a single-family subdivision for low- to moderate-income residents built in collaboration with Dallas Area Habitat for Humanity.

Since inception of ICDC in 1986, ICDC has:

- Constructed over 250 affordable homes in South Dallas/Fair Park, maintaining history by building homes consistent with the existing homes;
- Constructed a 16,000 square foot multi-use complex on Spring Avenue, which includes offices, a Homeownership Center, a Business Incubation Center, dental office, pharmacy, and beauty salon; and
- Constructed a 5,900 square foot South Dallas Training Center, in partnership with Dallas College (formerly Dallas County Community College District).

ESTIMATED SCHEDULE OF PROJECT

Begin Construction	January 2022
Completion Construction	December 2024

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 26, 2003, City Council authorized the designation of five census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003, by Resolution No. 03-0830.

On September 28, 2005, City Council authorized the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005, by Resolution No.05-2795.

On August 9, 2006, City Council authorized an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements by Resolution No. 06-2056.

On December 12, 2007, City Council authorized an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas by Resolution No. 07-3788.

The Housing Committee was briefed on January 22, 2008 regarding Frazier Neighborhood Investment Area and the Spring Avenue Revitalization Project.

On February 20, 2008, City Council authorized a loan in the amount of \$500,000.00 at 0% interest to South Dallas/Fair Park Inncity Community Development Corporation for the acquisition of improved and unimproved properties, associated relocation costs, and demolition within the Frazier Neighborhood Investment Program area to support residential and mixed-use redevelopment by Resolution No. 08-0595.

On August 26, 2009, City Council authorized an amendment to Resolution No. 08-0595, previously approve on February 20, 2008, to increase the loan amount by \$500,000.00 on an existing economic development loan with ICDC for the acquisition of improved and unimproved properties, located within the 4700-4900 blocks of Spring Avenue, including associated relocation, environment remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area by Resolution No. 09-2085.

On April 28, 2010, City Council authorized an amendment to Resolution No. 09-2085, previously approved on August 26, 2009, to increase the loan amount by \$500,000.00 on an existing economic development loan with ICDC for the acquisition of improved and unimproved properties, located within the Frazier Neighborhood Investment Program area, including associated closing costs, relocation, environmental remediation, or demolition costs for the purpose of construction residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area by Resolution No. 10-1101.

On September 22, 2010, City Council authorized an amendment to Resolution No. 10-1101, previously approved on April 28, 2010, to increase in the loan amount by \$1,000,000.00 on an existing development loan with ICDC for the acquisition and development of improved and unimproved properties, located within the Frazier Neighborhood Investment Program area, including associated closing costs, relocation, environmental remediation, demolition costs, predevelopment costs, and development costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area, by Resolution No. 10-2419.

On December 12, 2012, City Council authorized an amendment to Resolution No. 10-2419, previously approved on September 22, 2010, to increase an existing economic development loan by \$600,000.00 with ICDC for the acquisition of improved and unimproved properties, located within the Frazier Neighborhood Investment Program area, including associated closing costs, relocation, environmental remediation, demolition costs, predevelopment costs and development costs for the purpose of construction residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area, by Resolution No. 12-3019.

On April 24, 2013, City Council authorized an amendment to Resolution No. 12-3019, previously approved on December 12, 2012, to increase the existing economic development loan by \$200,000.00, from \$3,100,000.00 to \$3,300,000 with ICDC for the acquisition of improved and unimproved properties, located within the Frazier Neighborhood Investment Program area, including associated closings costs, relocation environment remediation, demolition costs, predevelopment costs and development costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the Frazier area by Resolution No. 13-0732.

On October 8, 2013, City Council authorized an amendment to Resolution No. 13-0732, previously approved on April 24, 2013, to increase an existing economic development loan with ICDC by \$100,000.00, from \$3,300,000.00 to \$3,400,000.00, for completion of the construction of commercial space located at 4922 Spring Avenue as part of the redevelopment plan for the Frazier area by Resolution No. 13-1795.

FISCAL INFORMATION

No cost consideration to the City.

OWNER

South Dallas/Fair Park Innercity Community Development Corporation

Venus Cobb, Executive Director

MAP

Attached