

# Memorandum



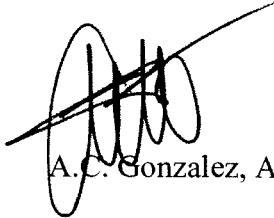
DATE October 16, 2009

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT JB Jackson Jr. Blvd. Mixed-Use Project

On Tuesday, October 20, 2009, you will be briefed on JB Jackson Jr. Blvd. Mixed-Use Project. A copy of the briefing is attached.

Please let me know if you have any questions.



A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
C. Victor Lander, Judiciary  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Dave Cook, Chief Financial Officer  
Jerry Killingsworth, Housing Director  
Jeanne Chipperfield, Director, Financial Services  
Helena Stevens-Thompson, Assistant to the City Manager

# **JB Jackson Jr. Blvd. Mixed-Use Project**

A Briefing to the Housing Committee

Housing Department

October 20, 2009

# [ Purpose ]

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- Review proposed JB Jackson Jr. Blvd. mixed-use project and recommend \$2 million in Proposition 8 Bond funding
- Request approval of the Housing Committee for City Council consideration on November 9, 2009

# [ Project Description ]

- Project will include new construction of 290,200 sq ft residential space (approximately 260 townhouses) and 28,000 sq ft retail space over 5 sites

# [ Partners ]

- Ownership Entity
  - South Dallas/Fair Park Innercity Community Development Corporation (ICDC)
  - McCormack Baron Salazar (MBS)
- Project Partnership
  - ICDC-planning & predevelopment
  - Enterprise Community Partners, Inc.-equity financing
  - MBS-negotiate acquisitions, predevelopment work, & lining up financing for development
- Vertical Development
  - May be different limited liability corporations for each site

# [ Partners ]

- South Dallas/Fair Park Innercity Development Corporation (ICDC)
  - 501 (c) 3 nonprofit organization
  - Community Housing Development Organization (CHDO) since 1992
  - ICDC has active contracts with City of Dallas for approximately \$2 million for development projects
  - ICDC has progressed well on current contracts

# [ Partners (continued) ]

## ■ Enterprise Community Partners, Inc.

- National Nonprofit Corporation is a leading provider of development capital
- They have raised and invested more than \$10 billion in equity, grants, and loans to help build and preserve more than a quarter million affordable rental and for-sale homes
- With \$500 million in assets and \$160 million in equity, Enterprise invests in communities at a rate of \$1 billion per year
- Through public-private partnerships with community organizations, governments, and financial institutions, they are rebuilding communities
- Enterprise will provide equity capital for land trust partnership to acquire property

# [ Partners (continued) ]

## ■ **McCormack Baron Salazar**

- A national development and property management company, specializing in rebuilding distressed urban communities
- Completed 124 developments totaling nearly 4,000 units and over 1,000,000 sq ft of retail in 28 U.S. cities
- Principals include: Richard Baron, Tony Salazar, Kevin McCormack, Alan Ragan, and Sandra Moore



# [ ICDC Mixed-Use Proposal ]

- ICDC's funding request:
  - Land acquisition of improved and unimproved properties
  - Related acquisition costs: appraisals, surveys, environmental reviews, closing costs
  - Demolition as needed
  - All for the purpose of developing residential and mixed-use commercial with project partners

# Structure of Funds for Acquisition

- The City of Dallas loan amount would be \$2 million from Proposition 8 Bond Funds
- City of Dallas would pay up to appraised value for land acquisitions (up to \$2 million)
- Enterprise Community Partners would provide amount above appraised value for acquisitions and amount above \$2 million required to complete acquisitions
- ICDC will have 2 years to commit and/or expend funds and 7 years to complete the development
- Deed restrictions will be held on the acquired properties to ensure redevelopment in the event of default

# Structure of Funds for Vertical Development

- Complete acquisition and vertical construction will require additional funding
- Sources may include:
  - New market tax credits
  - TOD funds from the federal government
  - State of Texas tax credits
  - Other private investment partners

# [ Recommendation ]

- That the Housing Committee recommend approval of a loan of \$2 million of Proposition 8 Bond Funds for the acquisition of improved and unimproved properties for the JB Jackson Jr. Blvd. mixed-use project

# [ Next Steps ]

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- November 9, 2009 – City Council approval of loan
- November 2009 – Acquisitions begin