

# Memorandum



CITY OF DALLAS

DATE June 7, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **June 26, 2024, Upcoming Agenda Item Permanent Supportive Housing Development and Operations, and Land Conveyance NOFA – 1950 Fort Worth Avenue**

On June 26 the City Council will consider an item related to the redevelopment of 1950 Fort Worth Avenue (the “Property”) for use as permanent supportive housing.

In partnership with the Office of Homeless Solutions, the Housing and Neighborhood Revitalization Department issued a Permanent Supportive Housing Notice of Funding Availability (the “NOFA”) on January 9, 2024. The NOFA sought a development partner to undertake a permanent supportive housing project to serve the City’s housing goals. The selected developer was asked to (1) acquire the Property (subject to a right of reverter and deed restrictions); (2) rehabilitate the Property with an initial conditional grant amount of \$2,345,273.00 in 2017 General Obligation Bond Fund Homeless Assistance (Prop J) Fund into a minimum of 40 Permanent Supportive Housing units requiring the developer to accept and use the City’s selected Architecture and Engineering firm design plans; (3) obtain additional capital funding to complete rehabilitation; and (4) operate the rehabilitated facility as permanent supportive housing for as long as the City deems it necessary to serve the public purpose. The NOFA required that the selected developer work in collaboration with the City and Housing Forward to secure operating subsidies and services necessary to operate the facility as permanent supportive housing. Housing Forward is the designated lead agency for the local Continuum of Care for Collin and Dallas Counties.

Two proposals were received in response to the NOFA. An interdepartmental evaluation committee comprised of five City employees from the Office of Community Care, Development Services Department, Planning and Urban Design Department, Office of Economic Development, and Code Compliance Department was formed to review and score the NOFA responses. After reviewing and scoring both submitted proposals, the committee selected the proposal of St. Jude Inc. as the top ranking and best qualified proposer with an average score of 121.2 out of 135 points. The scoring matrix includes the following information:

Proposers	Readiness (43 pts)	Capacity (26 pts)	Target Population (25 pts)	Developer Experience and Capacity (41 pts)	Total
St. Jude Inc.	37	24.6	23.6	36	<b>121.2</b>
DFW Project LLC	28.2	14	12.8	22.6	<b>77.6</b>

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Staff has negotiated a term sheet with St. Jude Inc. (Developer) to develop the property into 75 units of permanent supportive housing. The June 26, 2024 item will ask the City Council to approve the following items in furtherance of that redevelopment: **(1)** to rescind all authorizations in favor of a previously selected developer; **(2)** a conditional grant agreement in an amount not to exceed \$2,345,273.00 for a term of twenty years sourced with 2017 General Obligation Bond, Homeless Assistance J Funds (Prop J); **(3)** a development agreement with forgivable loan and land conveyance in an amount not to exceed \$2,444,727.00 sourced with HOME Investment Partnership Funds for a term of twenty years; **(4)** a property management and supportive services agreement with Developer requiring a Good Neighbor Agreement (to the extent it does not violate the Fair Housing Act), for a minimum of 20 years; and **(5)** to convey the Property to Developer subject to restrictive covenants, a right of reverter with the right of reentry, and recording of all necessary documents pursuant to Texas Local Government Code Section 272.001(g) and applicable laws and regulations.

Should you have any questions or require any additional information, please contact Cynthia Rogers-Ellickson, Director of the Department of Housing & Neighborhood Revitalization at [Cynthia.rogersellic@dallas.gov](mailto:Cynthia.rogersellic@dallas.gov) or 214-670-3601.

Service First, Now!



Robin Bentley  
Assistant City Manager (I)

c: Kimberly Bizzor Tolbert City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Majed A. Al-Ghafry, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Directors and Assistant Directors