



## CITY OF GRAND PRAIRIE RESOLUTION

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**MEETING DATE:** 03/04/2025

**PRESENTER:** Esther Coleman, Director of Housing

**TITLE:** Resolution authorizing entering into a Payment Agreement with Grand Prairie Housing Finance Corporation (HFC). HFC will contribute annual payments in an initial amount equal to \$3,850.00, increasing by three percent (3%) each year thereafter, to compensate the City for on-going City services provided to a multifamily apartment facility known as Lapiz Flats to be located at 2301 Avenue H East, Grand Prairie, Texas 75050

**REVIEWING  
COMMITTEE:**

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### **SUMMARY:**

Lapiz Flats, LLC, a Texas limited liability company (the "Company") has acquired an affordable multifamily apartment facility in Grand Prairie, Tarrant County, Texas, to be known as Lapiz Flats to be constructed on the proper located at 2301 Avenue H East, Grand Prairie, Texas 75050 (the "Property").

The HFC owns the fee simple interest in the Property and the Company owns the improvements on the Property. HFC and the Company entered into a 75-year lease ("Ground Lease") evidenced by a Memorandum of Ground Lease for the purposes of providing notice of the lease to protect the rights and interests of HFC and Company as to third parties.

The HFC is the sole member of GPHFC Lapiz GP, LLC, a Texas limited liability company (the "Managing Member"), which serves as the managing member of Lapiz MM, LLC, a Texas limited liability company (the "Company MM"). Company MM is the managing member of the Company, and their relationship regarding the Property is governed by a certain Amended and Restated Operating Agreement ("Operating Agreement").

The HFC will receive a certain Company Management Fee (as defined in the Operating Agreement) for its services to the Company as Managing Member and Company MM. Under the Payment Agreement, the HFC will be making an annual payment to the City, the first of which shall be equal to \$3,850.00, increasing by three percent (3%) each year thereafter (each a "Payment"). The Payment is calculated based on thirty-five percent (35%) of a portion of the Company Management Fee payable to the HFC under the Operating Agreement.

The Property will be exempt from ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code (the “Exemption”).

The HFC finds that payments made under the Payment Agreement are necessary and appropriate for the HFC to carry out its purposes. So long as the Property successfully receives funding, maintains a ground lease with HFC, and is used for affordable multifamily housing, the HFC will be making annual Payments to the City to compensate the City for services provided to the Project.

City staff recommends entering into the Payment Agreement to support the development of affordable housing within the City.

Passage of this item will indicate that the HFC and the City have determined that this Payment Agreement is necessary or convenient to implement the Project.

### **FINANCIAL CONSIDERATION:**

Any residential property owned by a Housing Finance Corporation is exempt from all ad valorem taxes.

### **BODY**

**RESOLUTION AUTHORIZING ENTERING INTO A PAYMENT AGREEMENT WITH GRAND PRAIRIE HOUSING FINANCE CORPORATION (HFC) UNDER WHICH THE HFC WILL PAY THE CITY ANNUAL PAYMENTS IN AN INITIAL AMOUNT EQUAL TO \$3,850.00, INCREASING BY THREE PERCENT (3%) EACH YEAR THEREAFTER, TO COMPENSATE THE CITY FOR ON-GOING CITY SERVICES PROVIDED TO A MULTIFAMILY APARTMENT FACILITY KNOWN AS LAPIZ FLATS TO BE CONSTRUCTED ON THE PROPERTY LOCATED AT 2301 AVENUE H EAST, GRAND PRAIRIE, TEXAS 75050 (THE “PROPERTY”); ACKNOWLEDGING THAT THE PROPERTY WILL BE EXEMPT FROM LOCAL AD VALOREM TAXATION PURSUANT TO CHAPTER 394 OF THE TEXAS LOCAL GOVERNMENT CODE; PROVIDING AN EFFECTIVE DATE**

### **RECITALS**

**WHEREAS**, Lapid Flats, LLC, a Texas limited liability company (the “Company”) has acquired an affordable multifamily apartment facility in Grand Prairie, Tarrant County, Texas, to be known as Lapid Flats to be constructed on the property located at 2301 Avenue H East, Grand Prairie, Texas 75050 (the “Property”); and

**WHEREAS**, the HFC owns the fee simple interest in the Property and the Company owns the improvements on the Property, and HFC and Company entered into a 75-year lease (“Ground Lease”) evidenced by a Memorandum of Ground Lease for the purposes of providing notice of the lease to protect the rights and interests of HFC and Company as to third parties; and

**WHEREAS**, the HFC is the sole member of GPHFC Lapid GP, LLC, a Texas limited liability company (the “Managing Member”), which serves as the managing member of Lapid MM, LLC, a Texas limited liability company (the “Company MM”). Company MM is the managing member of the Company, and their relationship regarding the Property is governed by a certain Amended and Restated Operating Agreement (“Operating Agreement”); and

**WHEREAS**, the HFC will receive a certain Company Management Fee (as defined in the Operating Agreement) for its services to the Company as Managing Member and Company MM. Under the Payment Agreement between the HFC and the City, the HFC will be making an annual payment to the City, the first of which shall be equal to \$3,850.00, increasing by three percent (3%) each year thereafter (each a “Payment”). The Payment is calculated based on thirty-five percent (35%) of a portion of the Company Management Fee payable to the HFC under the Operating Agreement; and

**WHEREAS**, the Property will be exempt from ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code (the “Exemption”); and

**WHEREAS**, the City desires to enter into the Payment Agreement to support the development of affordable housing within the City; and

**WHEREAS**, so long as the Property successfully receives funding, maintains a ground lease with HFC, and is used for affordable multifamily housing, will be making annual Payments to the City to compensate the City for services provided to the Project.; and

**WHEREAS**, the City finds that this Agreement serves the public purpose of promoting economic growth; and

**WHEREAS**, the HFC finds that payments made under this Agreement are necessary and appropriate for the HFC to carry out its purposes.

**NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OTHER CONSIDERATION THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:**

**SECTION 1.** That City of Grand Prairie acting through its City Council (Governing Body), does hereby authorize entering into a 75-year Payment Agreement with Grand Prairie Housing Finance Corporation (the “HFC”). The HFC shall contribute annual payments, the first of which shall be equal to \$3,850.00, increasing by three percent (3%) each year thereafter. Said Payments are calculated based on thirty-five percent (35%) of a portion of the Company Management Fee payable to the HFC under the Operating Agreement between Lapiz MM, LLC and Lapiz Flats, LLC, a Texas limited liability company that has acquired an affordable multifamily apartment facility in Grand Prairie, Tarrant County, Texas, known as Lapiz Flats to be constructed on the property located at 2301 Avenue H East, Grand Prairie, Texas 75050. The payments will serve to compensate the City for on-going City services provided to the Project.

**SECTION 2.** That the City acknowledges that the Property, while owned by the HFC, will be exempt from local ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provision of the charter of the City of Grand Prairie, and it is accordingly so resolved.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, ON THIS THE 4<sup>TH</sup> DAY OF MARCH, 2025.**