



**CITY OF GRAND PRAIRIE
RESOLUTION**

MEETING DATE: 07/14/2025

PRESENTER: Esther Coleman, Director of Housing

TITLE: Resolution Authorizing a Payment Agreement with the Grand Prairie Housing Finance Corporation (HFC). The HFC will contribute annual payments in an amount equal to thirty-five percent (35%) of the annual MM Management Fee received by the HFC to compensate the City for ongoing City services provided to a multifamily apartment facility known Prairie Gate Community Phase I located at 3951 Dechman Drive, Grand Prairie, Dallas County, Texas 75052. The property will be exempt from ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code

**REVIEWING
COMMITTEE:**

SUMMARY:

Prairie Gate Community, LLC, a Texas limited liability company (the “Company”) has acquired an affordable multifamily apartment facility known as Prairie Gate Community Phase I located at 3951 Dechman Drive, Grand Prairie, Dallas County, Texas 75052 (the “Property”).

The HFC owns the fee simple interest in the Property and the Company owns the improvements on the Property. The HFC and Company entered into a 99-year lease (“Ground Lease”) evidenced by a Memorandum of Ground Lease.

The HFC is the sole member of GPHFC Prairie Gate I MM, LLC, a Texas limited liability company (the “Managing Member”), which serves as the managing member of Prairie Gate Community, 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 Second Amended and Restated Operating Agreement (“Operating Agreement”).

Under the terms of the Operating Agreement, the HFC will be receiving an annual MM Management Fee for its services to the Company as Managing Member and Company MM. The initial amount of the MM Management Fee is \$10,000, which will increase by 3.0% per year.

Under the Payment Agreement, so long as the Property successfully receives funding, the Ground Lease with the HFC is maintained, the Property is used for affordable multifamily housing, and the HFC remains in control of the Company MM, the HFC will be making an annual payment to the City equal to thirty-five percent (35%) of the HFC’s MM Management Fee.

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

City staff has determined that entering into a Payment Agreement with the HFC will further the objectives of City, benefit City and its inhabitants, and promote affordable housing in the City.

Passage of this item will indicate that the HFC and the City have determined that the 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 THE CITY OF GRAND PRAIRIE TO ENTER INTO A PAYMENT AGREEMENT WITH THE GRAND PRAIRIE HOUSING FINANCE CORPORATION (HFC) UNDER WHICH THE HFC WILL CONTRIBUTE ANNUAL PAYMENTS TO THE CITY IN AN AMOUNT EQUAL TO THIRTY-FIVE PERCENT (35%) OF THE ANNUAL MM MANAGEMENT FEE RECEIVED BY THE HFC TO COMPENSATE THE CITY FOR ONGOING CITY SERVICES PROVIDED TO PRAIRIE GATE COMMUNITY PHASE I LOCATED AT 3951 DECHMAN DRIVE, GRAND PRAIRIE, DALLAS COUNTY, TEXAS 75052; ACKNOWLEDGING THAT THE PROPERTY WILL BE EXEMPT FROM AD-VALOREM TAXATION PURSUANT TO CHAPTER 394 OF THE TEXAS LOCAL GOVERNMENT CODE; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Prairie Gate Community, LLC, a Texas limited liability company (the “Company”) has acquired an affordable multifamily apartment facility known as Prairie Gate Community Phase I and constructed specifically located at 3951 Dechman Drive, Grand Prairie, Dallas County, Texas 75052 (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 99-year lease (“Ground Lease”) evidenced by a Memorandum of Ground Lease; and

WHEREAS, the HFC is the sole member of GPHFC Prairie Gate I MM, LLC, a Texas limited liability company (the “Managing Member”), which serves as the managing member of Prairie Gate Community, 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 Second Amended and Restated Operating Agreement (“Operating Agreement”); and

WHEREAS, pursuant to the terms of the Operating Agreement, the HFC will be receiving an annual MM Management Fee for its services to the Company as Managing Member and Company MM. The initial amount of the MM Management Fee is \$10,000, which will increase by 3.0% per year; and

WHEREAS, the Property will be exempt from ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code; and

WHEREAS, the City of Grand Prairie (“City”) desires to enter into a Payment Agreement with the HFC to support affordable housing within the City; and

WHEREAS, pursuant to the Payment Agreement, so long as the Property successfully receives funding, the Ground Lease with the HFC is maintained, the Property is used for affordable multifamily housing, and the HFC remains in control of the Company MM, the HFC will make an annual payment to the City equal to thirty-five percent (35%) of the HFC’s MM Management Fee to compensate the City for ongoing City services provided to the project; and

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

WHEREAS, the City finds that the Payment Agreement serves the public purpose of promoting economic growth.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:

SECTION 1. That the City of Grand Prairie is hereby authorized to enter into a Payment Agreement with the Grand Prairie Housing Finance Corporation (the “HFC”) under which the HFC shall contribute annual payments to the City in an amount equal to thirty-five percent (35%) of the HFC’s MM Management Fee received pursuant to the Operating Agreement between GPHFC Prairie Gate I MM, LLC and Prairie Gate Community, LLC, which has acquired an affordable multifamily apartment known as Prairie Gate Community Phase I located at 3951 Dechman Drive, Grand Prairie, Dallas County, Texas 75052.

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

SECTION 3. That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS, ON THIS THE 14th DAY OF JULY, 2025.