



## CITY OF GRAND PRAIRIE RESOLUTION

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**MEETING DATE:** 08/19/2025

**PRESENTER:** Esther Coleman, Director of Housing and Neighborhood Services

**TITLE:** Resolution Authorizing a Payment Agreement with Grand Prairie Housing Finance Corporation (HFC). The HFC will contribute annual payments in an amount equal to thirty-five percent (35%) of the annual Ground Lease payments to compensate the City for ongoing City services provided to the Prairie Gate Community Phase II located at 3930 Westcliff Road, 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:**

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**SUMMARY:**

PG Phase II, L.P. a Texas limited liability company (the "Company") has acquired an affordable multifamily apartment facility in Grand Prairie, Dallas County, Texas, known as Prairie Gate Community Phase II, located at 3930 Westcliff Road, 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 evidenced by a Memorandum of Ground Lease ("Ground Lease").

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

Under the Payment Agreement, so long as the Property successfully receives funding, the Ground Lease with the HFC is maintained, and the Property is used for affordable multifamily housing, the HFC will make an annual payment to the City in an amount equal to thirty-five percent (35%) of the annual Ground Lease payment to compensate the City for City 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 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 IN AN AMOUNT EQUAL TO THIRTY-FIVE PERCENT (35%) OF THE ANNUAL GROUND LEASE PAYMENTS TO COMPENSATE THE CITY FOR ONGOING CITY SERVICES PROVIDED TO PRAIRIE GATE COMMUNITY PHASE II LOCATED AT 3930 WESTCLIFF ROAD, 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**, PG Phase II, L.P. a Texas limited liability company (the “Company”) has acquired an affordable multifamily apartment facility in Grand Prairie, Dallas County, Texas, known as Prairie Gate Community Phase II, located at 3930 Westcliff Road, 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. The HFC and Company entered into a 99-year lease evidenced by a Memorandum of Ground Lease (“Ground Lease”); 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, and the Property is used for affordable multifamily housing, the HFC will make an annual payment to the City equal to thirty-five percent (35%) of the annual Ground Lease payment to compensate the City for 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 annual Ground Lease payments received pursuant to the Ground Lease between the HFC and PG Phase II, L.P., which has acquired an affordable multifamily apartment known as Prairie Gate Community Phase II located at 3930 Westcliff Road, 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 5<sup>TH</sup> DAY OF AUGUST 2025.**