

**LEWISVILLE CITY COUNCIL**

**REGULAR SESSION**

**AUGUST 2, 2021**

**6:00 P.M.**

**Present:**

TJ Gilmore, Mayor

**Council Members:**

Kristin Green, Mayor Pro Tem  
Brandon Jones, Deputy Mayor Pro Tem  
Bob Troyer  
William Meridith  
Ronni Cade

**City Staff:**

Donna Barron, City Manager  
Eric Ferris, Deputy City Manager  
Claire Powell, Assistant City Manager  
Julie Worster, City Secretary  
Lizbeth Plaster, City Attorney

With a quorum of the Council Members present, the workshop session of the Lewisville City Council was called to order by Mayor Gilmore at 6:00 p.m. on Monday, August 2, 2021, in the City Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas. All City Department Heads were in attendance either in person or via Zoom.

**WORKSHOP SESSION**

**Discussion of Regular Agenda Items and  
Consent Agenda Items**

**(Agenda Item A)**

Discussion was held regarding Agenda Item F-15: Consideration of Acceptance of the Resignation of William Shull From Place No. 2 on the Park Board; Declare a Vacancy Exists; and Consideration of an Appointment to Fill the Vacancy on the Park Board . The consensus of the City Council was to appoint Rich Oropeza to this position. There was no further discussion on this item.

There was no further discussion of any Regular Agenda Items or Consent Agenda Items.

**WORKSHOP SESSION**

**Preserving Affordable Housing: Proposed Partnership with Denton Housing Authority for Redevelopment of Oak Tree Village Apartments at 1595 S. Old Orchard**

**(Agenda Item B)**

Assistant City Manager Claire Powell conducted the attached PowerPoint Presentation for City Council consideration. In addition to Ms. Powell, Sherri McDade, CEO of Denton Housing Authority and Ramon Guajardo Sr, Owner of Ramel LLC assisted with the presentation.

The consensus of the City Council was to move forward as presented.

There was no further discussion on this item.

**REGULAR SESSION – 6:30 P.M.**

With a quorum of the Council Members present, the regular session of the Lewisville City Council was called to order by Mayor Gilmore at 6:30 p.m. on Monday, August 2, 2021, in the Council Chambers of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

**Invocation**

**(Agenda Item A)**

At the request of Mayor Gilmore, Councilmember Cade gave the invocation.

**Pledge to the American and Texas Flags**

**(Agenda Item B)**

At the request of Mayor Gilmore, Councilmember Jones gave the pledge to the American and Texas flags.

Mayor Gilmore adjourned the meeting of the Lewisville City Council into Closed Session at 6:37 p.m. Monday, August 2, 2021, in accordance with the requirements of the Open Meetings Law.

**Closed Session**

**(Agenda Item H)**

In accordance with Texas Government Code, Subchapter D, Section 551.071 (Consultation with Attorney), the Lewisville City Council convened into Closed Session at 6:39 p.m. on Monday, August 2, 2021, City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas, in order to discuss matters pertaining to the following:

1. Section 551.071 (Consultation with Attorney): Legal issues regarding Annexation of Castle Hills and the TIRZ Reimbursement Agreement Between the City, TIRZ #3, and Bright Realty, LLC

**Closed Session (cont'd)**

**(Agenda Item H)**

2. Section 551.072 (Real Estate): Property Acquisition
3. Section 551.087 (Economic Development): Deliberation Regarding Economic Development Negotiations.

The Closed Session was adjourned at 7:12 p.m. on Monday, August 2, 2021.

**Reconvene and Consider Action, if any, on  
Items Discussed in Closed Session**

**(Agenda Item I)**

Mayor Gilmore reconvened the meeting of the Lewisville City Council at 7:12 p.m. on Monday, August 2, 2021, in the Council Chambers of the Lewisville City Hall.

Mayor Gilmore opened the floor for action to be taken on the items discussed in the Closed Session. There was no action taken on the items discussed during the Closed Session.

**Continued Public Hearing: Consideration of  
an Ordinance Pursuant to Section 311.003 of  
the Texas Tax Code Amending Tax  
Increment Reinvestment Zone Number  
Three ("TIRZ 3"), Located South of SH 121  
and Business 121 and Being Wholly Located  
Within the Extraterritorial Jurisdiction of  
Lewisville, Texas, by Amending its  
Boundaries and its Benefits to the City of  
Lewisville and Amending the Project and  
Finance Plan for the Zone**

**(Agenda Item C-1)**

This ordinance amends the boundaries of TIRZ 3 to include park and open space land. The proposed boundaries include an additional approximate 53.05 acres generally located south of SH 121 and Business 121 and being wholly located within the ETJ of the City. This ordinance also amends the Project and Finance Plan to update project costs and zone reimbursements including the acquisition of park and open space land, and to include economic development authority.

That the City Council continue the public hearing to the August 16, 2021 meeting.

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Deputy Mayor Pro Tem Jones, the Council voted five (5) "ayes" and no (0) "nays" to continue the public hearing to the August 16, 2021 meeting. The motion carried.

**Public Hearing: Consideration of Ordinance  
No. 0355-21-ZON Amending Chapter 17,  
Zoning, of the Lewisville City Code, by  
Amending Section 17 22.7, Old Town Mixed  
Use 2 District Regulations, to Amend  
Multifamily Requirements to Reduce the  
Minimum Floor Area of a Multifamily  
Dwelling**

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**(Agenda Item C-2)**

The reduction of minimum dwelling unit sizes has been proposed in several zoning districts as part of the Development Code Overhaul including a reduction of multifamily dwelling units from 650 square feet to 500 square feet with an average of 650 square feet. The purpose of these reductions in unit sizes are to reduce unnecessary cost barriers to housing, acknowledge trends of smaller studio and one bedroom units, and to have increased consistency through the Code. Pending multifamily projects in Old Town have been designed with the proposed multi family dwelling unit size requirements; therefore, the proposed provision in the Old Town Mixed Use 2 District is being brought forward ahead of the Code Overhaul to avoid delays in these projects. The Planning and Zoning Commission recommended unanimous approval (7 0) of this amendment on June 15, 2021.

That the City Council approve the proposed ordinance as set forth in the caption above.

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Jones and seconded by Councilmember Cade, the Council voted five (5) “ayes” and no (0) “nays” to close the public hearing. The motion carried.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the Lewisville City Council Amending Chapter 17, Zoning, of the Lewisville City Code, by Amending Section 17-22.7, Old Town Mixed Use 2 District Regulations, to Amend Multifamily Requirements to Reduce the Minimum Floor Area of a Multifamily Dwelling; Providing for a Repealer, Severability, a Penalty, and an Effective Date; and Declaring an Emergency.”

**MOTION:** Upon a motion made by Councilmember Troyer and seconded by Councilmember Meridith, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0355-21-ZON**, as previously captioned.

**Public Hearing: Consideration of Ordinance No. 0356-21-ZON Approving Amendments to Chapter 17, Zoning, of the Lewisville City Code, by Amending Section 17 3, Definitions, to Amend the Definition of Motor Freight Terminal and Section 17 23 Light Industrial District, to Add Motor Freight Terminal as a Permitted Use With a Requirement For a Special Use Permit**

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**(Agenda Item C-3)**

The consumer shift towards home delivery of goods accelerated during the COVID 19 pandemic. In response to this trend, demand increased for locations that facilitate loading, staging, queuing, and dispatching delivery vehicles for last mile deliveries. The use generates significant traffic that can have negative impacts related to congestion, air quality, noise, and lighting. To clearly define the use and mitigate potential negative impacts on surrounding properties, it is recommended that the definition of 'Motor Freight Terminal' be amended to incorporate these new activities and to allow them in the Light Industrial and Heavy Industrial Zoning Districts with the approval of a Special Use Permit. The Planning and Zoning Commission recommended unanimous (6 0) approval on July 20, 2021.

That the City Council approve the ordinance as set forth in the caption above.

**MOTION:** Upon a motion made by Councilmember Meridith and seconded by Mayor Pro Tem Green, the Council voted five (5) "ayes" and no (0) "nays" to close the public hearing. The motion carried.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

"An Ordinance Of The Lewisville City Council Amending Chapter 17, Zoning, Of The Lewisville City Code, By Amending Section 17-3, Definitions, To Amend The Definition Of Motor Freight Terminal And Section 17-23, Light Industrial District, To Add Motor Freight Terminal As A Permitted Use With A Requirement For A Special Use Permit; Providing For A Repealer, Severability, A Penalty, And An Effective Date; And Declaring An Emergency."

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Jones and seconded by Mayor Pro Tem Green, the Council voted five (5) "ayes" and no (0) "nays" to approve and adopt **Ordinance No. 0356-21-ZON**, as previously captioned.

**Public Hearing: Consideration of Resolution No. 0357-21-RES: A Resolution of the City Council of the City of Lewisville, Texas, Providing for the Adoption of the 2021 Annual Action Plan as Required by the U.S. Department of Housing and Urban Development; Authorization for the City Manager to Submit the Plan to the U.S. Department of Housing and Urban Development; and Acknowledgement of Receipt of the Recommended FY 2021 2022 City Social Service Agency Fund Budget of \$170,000 From the CDBG Advisory Committee**

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**(Agenda Item C-4)**

An Annual Action Plan must be submitted to the U.S. Dept. of Housing and Urban Development (HUD) by August 15, 2021 as a requirement to receive Community Development Block Grant (CDBG) funds of \$784,038 in FY 2021 2022. The CDBG Advisory Committee reviewed applications submitted by non-profit agencies for projects that address HUD national objectives and Consolidated Plan priorities. At a meeting on June 29, the Committee voted 7 0 to recommend a social services budget with CDBG and City funds. On July 20, the Committee also recommended approval of the Annual Action Plan by a vote of 5 0. The Plan was made available for a 30 day public comment period.

That the City Council approve the resolution, acknowledge receipt of the City Social Service Fund budget and authorize the City Manager or her designee to submit the plan as set forth in the caption above.

**MOTION:** Upon a motion made by Councilmember Troyer and seconded by Councilmember Meridith, the Council voted five (5) “ayes” and no (0) “nays” to close the public hearing. The motion carried.

**MOTION:** Upon a motion made by Councilmember Meridith and seconded by Mayor Pro Tem Green, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Resolution No. 0357-21-RES**, as previously captioned.

**Visitors/Citizens Forum**

**(Agenda Item D)**

Joan Gillham spoke before the City Council via Zoom to express her concerns regarding street construction on Timberbrook.

**CONSENT AGENDA**

**(Agenda Item E)**

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Jones and seconded by Mayor Pro Tem Green, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt all items on the Consent Agenda, as recommended and as follows:

5. APPROVAL OF MINUTES: (a) City Council Minutes of the July 12, 2021, Workshop Session and Regular Session and (b) City Council Minutes of the July 19, 2021, Workshop Session and Regular Session.
6. Approval of an Agreement to Transfer Ownership of a Law Enforcement Animal; and Authorization for the City Manager to Execute the Agreement.
7. Approval of an Economic Development Agreement Between the City of Lewisville and BIORISX, LLC, and Authorization for the City Manager to Execute the Agreement.
8. Approval of a Bid Award for an Annual Requirements Agreement for Liquid Chlorine to DPC Industries Inc., Cleburne, TX, for the Estimated Amount of \$246,598; and Authorization for the City Manager to Execute the Agreement.
9. Approval of Scheduling the Public Hearing on the Proposed Budget During the Next Regular City Council Meeting on August 16, 2021.

The motion carried.

**END OF CONSENT AGENDA**

**Continued Item: Consideration of an Amendment to the Tax Increment Reinvestment Zone Reimbursement Agreement by and Among the City of Lewisville, the Lewisville Tax Increment Reinvestment Zone Number Three (“TIRZ 3”), and Bright Realty, LLC for Project Costs Within Tax Increment Reinvestment Zone Number Three; and Authorization for the City Manager to Execute the Agreement**

**(Agenda Item F-10)**

Should the City Council approve the ordinance amending the boundaries and the Project and Finance Plan for TIRZ 3, as described in a previous item, staff recommends an amendment to the reimbursement agreement to provide for updated project costs and zone reimbursements including the acquisition of park and open space land and to outline economic development parameters.

**Continued Item: Consideration of an Amendment to the Tax Increment Reinvestment Zone Reimbursement Agreement by and Among the City of Lewisville, the Lewisville Tax Increment Reinvestment Zone Number Three (“TIRZ 3”), and Bright Realty, LLC for Project Costs Within Tax Increment Reinvestment Zone Number Three; and Authorization for the City Manager to Execute the Agreement (cont’d)**

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**(Agenda Item F-10)**

The City staff’s recommendation is that the City Council City Council continue this item to the August 16, 2021 meeting.

Patrick Kelly, a resident of Castle Hills spoke before the City Council in support of this item and the misinformation that the Boards would not approve agreements before them. He assured the City Council of the boards that had already indicated their desire to approve. He reviewed the concern of the boards that they wanted to be sure that the City took over the Parks located in Castle Hills.

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Deputy Mayor Pro Tem Jones , the Council voted four (4) “ayes” and no (0) “nays” continue this item to the August 16, 2021 meeting . The motion carried.

**Consideration of Ordinance No. 0358-21-ORD Amending the Lewisville City Code, Section 15 35, Maximum Speed Limits on Specific Streets; Establishing Speed Limits on Josey Lane, from 1,900 Feet South of State Highway 121 to the South City Limits, of 50 Miles Per Hour**

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**(Agenda Item F-11)**

Josey Lane, a 6 lane divided arterial street, currently has no posted speed limits in the segment from 1,900 feet south of State Highway 121 to the south City limits with Carrollton due to its relatively recent annexation. Staff conducted speed studies on Josey Lane and the 85th percentile speed from the study is 54 mph. Based on the speed study results, adjacent land use, and to be consistent with the existing speed limits in the adjacent segments, staff recommends a posted speed limit of 50 mph. The Transportation Board considered this item at the July 6, 2021, meeting and voted unanimously (7 0) to approve the recommendation to the City Council.

The City staff’s recommendation that the City Council approve the ordinance as set forth in the caption above.

**Consideration of Ordinance No. 0358-21-ORD Amending the Lewisville City Code, Section 15 35, Maximum Speed Limits on Specific Streets; Establishing Speed Limits on Josey Lane, from 1,900 Feet South of State Highway 121 to the South City Limits, of 50 Miles Per Hour (cont'd)**

**(Agenda Item F-11)**

City Engineer David Salmon was available to address any questions posed by the City Council.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance Of The Lewisville City Council Amending Chapter 17, Zoning, Of The Lewisville City Code, By Amending Section 17-3, Definitions, To Amend The Definition Of Motor Freight Terminal And Section 17-23, Light Industrial District, To Add Motor Freight Terminal As A Permitted Use With A Requirement For A Special Use Permit; Providing For A Repealer, Severability, A Penalty, And An Effective Date; And Declaring An Emergency.”

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Councilmember Troyer, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0358-21-ORD**, as previously captioned.

**Consideration of Ordinance No. 0359-21-ORD Amending the Lewisville City Code, Section 15 36, Maximum Speed Limits Near Schools; Establishing School Zone Speed Limit on Josey Lane, from 500 Feet North of the Memorial Elementary School North Driveway to 500 Feet South of Lake Falls Terrace of 35 Miles Per Hour**

**(Agenda Item F-12)**

LISD plans to open a new Elementary School on Josey Lane, Memorial Elementary School, for the upcoming 2021 2022 school year. The school creates a need for the establishment of a school zone on Josey Lane. Because the proposed speed limit on Josey Lane is 50 mph, a 35 mph school zone speed limit is proposed 500 feet on either side of the school boundary. Similar 35 mph school zones exist on FM 544 and on FM 3040, which are both 50 mph speed roadways. The Transportation Board considered this item at the July 6, 2021 meeting and voted unanimously (7 0) to approve the recommendation to the City Council.

The City staff’s recommendation is that the City Council approve the ordinance as set forth in the caption above.

**Consideration of Ordinance No. 0359-21-ORD Amending the Lewisville City Code, Section 15 36, Maximum Speed Limits Near Schools; Establishing School Zone Speed Limit on Josey Lane, from 500 Feet North of the Memorial Elementary School North Driveway to 500 Feet South of Lake Falls Terrace of 35 Miles Per Hour (cont'd)**

**(Agenda Item F-12)**

City Engineer David Salmon was available to address any questions posed by the City Council.

Discussion was held regarding the visibility due to the varying elevations of the road, as well as the length of the school zone in this area. Staff advised that flashing beacons and warning signs would be installed in this area to help make drivers aware of the speed change prior to the school zone.

City Attorney Lizbeth Plaster read the ordinance caption into the record as follows:

“An Ordinance of the Lewisville City Council Amending the Lewisville City Code Chapter 15, Section 15-36, by Establishing a School Speed Zone on Josey Lane From 500 Feet North of the Memorial Elementary School North Driveway to 500 Feet South of Lake Falls Terrace; Providing for a Repealer, Severability, Penalty, and an Effective Date; and Declaring an Emergency.”

**MOTION:** Upon a motion made by Deputy Mayor Pro Tem Jones and seconded by Councilmember Meridith, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt **Ordinance No. 0359-21-ORD**, as previously captioned.

**Consideration of Variances to the Lewisville City Code Section 6-103 (Access Management) Regarding Driveways and Deceleration Lanes for Prologis Waters Ridge on Lot 2R, Block C of Waters’ Ridge Addition, as Requested by Kaylie Flynn, Halff Associates, on Behalf of the Owner**

**(Agenda Item F-13)**

The subject site is a 14.42 acre lot zoned Light Industrial (LI) within the Waters’ Ridge Addition located at 1601 Waters Ridge Drive. The property owner is expanding the existing office warehouse from 244,000 square feet to 306,205 square feet. The owner is requesting the following variances: a) to waive the required deceleration lane at a driveway for lots that exceed five acres and b) to reduce the required driveway spacing of 50 feet along Waters Ridge Drive.

**Consideration of Variances to the Lewisville City Code Section 6-103 (Access Management) Regarding Driveways and Deceleration Lanes for Prologis Waters Ridge on Lot 2R, Block C of Waters' Ridge Addition, as Requested by Kaylie Flynn, Halff Associates, on Behalf of the Owner (cont'd)**

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**(Agenda Item F-13)**

The City staff's recommendation is to approve the variances request as set forth in the caption above.

City Engineer David Salmon was available to address any questions posed by the City Council.

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Councilmember Meridith, the Council voted five (5) "ayes" and no (0) "nays" to approve the following variances to the Lewisville City Code Section 6-103 (Access Management) Regarding Driveways and Deceleration Lanes for Prologis Waters Ridge on Lot 2R, Block C of Waters' Ridge Addition: a) to waive the required deceleration lane at a driveway for lots that exceed five acres and b) to reduce the required driveway spacing of 50 feet along Waters Ridge Drive, as Requested by Kaylie Flynn, Halff Associates, on Behalf of the Owner. The motion carried.

**Consideration of a Variance to the Lewisville, City Code, Section 6 103 (e), Access Management, Auxiliary Lanes for Jubilee Industrial Park, a 10.4 Acre Parcel Zoned Heavy Industrial (HI), Located at Jubilee Lane and Riverview Drive, as Requested by RC Plugge III, Halff Associates, on Behalf of the Owner**

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**(Agenda Item F-14)**

The developer is proposing to construct two office warehouses totaling 174,000 square feet. The developer is requesting a variance to waive the required deceleration lane at a driveway for lots that exceed five acres.

The City staff's recommendation is that the City Council approve the variance request as set forth in the caption above.

City Engineer David Salmon was available to address any questions posed by the City Council.

**Consideration of a Variance to the**

**Lewisville, City Code, Section 6 103 (e),  
Access Management, Auxiliary Lanes for  
Jubilee Industrial Park, a 10.4 Acre Parcel  
Zoned Heavy Industrial (HI), Located at  
Jubilee Lane and Riverview Drive, as  
Requested by RC Plugge III, Halff  
Associates, on Behalf of the Owner (cont'd)**

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**(Agenda Item F-14)**

**MOTION:** Upon a motion made by Councilmember Meridith and seconded by Councilmember Troyer, the Council voted four (4) “ayes” and no (0) “nays” to approve a variance to the Lewisville, City Code, Section 6-103(e), Access Management, Auxiliary Lanes for Jubilee Industrial Park, a 10.4 acre parcel zoned Heavy Industrial (HI), located at Jubilee Lane and Riverview Drive to waive the required deceleration lane at a driveway for lots that exceed five acres, as requested by RC Plugge III, Halff Associates, on behalf of the owner. The motion carried

**Consideration of Acceptance of the  
Resignation of William Shull From Place No.  
2 on the Park Board; Declare a Vacancy  
Exists; and Consideration of an  
Appointment to Fill the Vacancy on the Park  
Board**

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**(Agenda Item F-15)**

William Shull has submitted his resignation from the Park Board. Mr. Shull has served in Place No. 2 of the Park Board since 2013. Data sheets of applicants interested in serving on the Park Board have been included for City Council review.

The City staff’s recommendation is that the City Council accept the resignation; declare a vacancy; and consider an appointment as set forth in the caption above.

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Deputy Mayor Pro Tem Jones, the Council voted five (5) “ayes” and no (0) “nays” to accept the resignation, declare a vacancy and appoint Rich Oropeza to Place No. 2 on the Park Board as set forth in the caption above. The motion carried

**Consideration of Resolution No. 0360-21-RES: A Resolution of the City Council of the City of Lewisville, Texas, Extending the Declaration of Local Disaster for Public Health Emergency Until 11:59 P.M. on August 16, 2021; and Providing an Effective Date**

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**(Agenda Item F-16)**

On February 17, 2021, Mayor Rudy Durham, acting in accordance with authority granted to him under the City Charter and Code of Ordinances and under section 418.108(a) of the Texas Government Code, declared a local state of disaster for public health emergency due to concerns related to COVID 19 (the “Disaster Declaration”), which the Lewisville City Council subsequently ratified, supported, and continued until 11:59 p.m. on August 2, 2021. Ongoing evaluation of circumstances related to the virus and the updated recommendations of the Centers for Disease Control and the Texas Department of State Health Services indicate that the conditions necessitating the Disaster Declaration have and will continue to exist for a period extending beyond August 2, 2021.

The City staff’s recommendation is to approve the resolution as set forth in the caption.

**MOTION:** Upon a motion made by Mayor Pro Tem Green and seconded by Deputy Mayor Pro Tem Jones, the Council voted five (5) “ayes” and no (0) “nays” to approve and adopt Resolution No. 0360-21-RES, as previously captioned.

**Reports**

**(Agenda Item G)**

- Director Finance David Erb advised of the City receiving the Excellence in Procurement. He recognized the work of the Purchasing Division.
- Director of Communications and Tourism James Kunke advised of upcoming events.
- Councilmember Troyer reviewed upcoming events at the Lewisville Grand Theatre.
- Mayor Pro Tem Green advised that Thrive was closed for the week for cleaning and maintenance and would be open next week.
- Deputy Mayor Pro Tem Jones advised of Back To School events. He also advised that the City Budget Meeting was being held on Saturday, August 7, 2021 at the Municipal Annex.
- Councilmember Meridith review upcoming events happening at the City Library.
- Mayor Gilmore thanked the residents of Highland Village, Flower Mound and Lewisville for participating in the Pizza Competition and Fundraiser for Journey to Dream, Kyle’s Place and Cloud 9 Charities. He advised of the Best of Denton County that goes on every year at this time and encouraged everyone to Google Best of Denton County.

**LEWISVILLE CITY COUNCIL  
REGULAR SESSION  
AUGUST 2, 2021**

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**Adjournment**

**(Agenda Item J)**

**MOTION:** Upon a motion made by Councilmember Meridith and seconded by Depputy Mayor Pro Tem Jones, the Council voted five (5) “ayes” and no (0) “nays” to adjourn the meeting of the Lewisville City Council at 9:00 p.m. on Monday, August 2, 2021. The motion carried.

These minutes approved by the Lewisville City Council on the 2<sup>nd</sup> day of August, 2021.

APPROVED

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TJ Gilmore  
MAYOR

ATTEST:

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Julie Worster, CITY SECRETARY



# Preserving Affordable Housing

Proposed Partnership with Denton  
Housing Authority for  
Redevelopment of

Oak Tree Village Apartments at  
1595 S Old Orchard

August 2, 2021 CC Workshop

# City Council Goals

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**At the February 2019 City Council Retreat,** Council directed staff to explore ways to maintain the city's existing affordable multifamily housing stock and promote reinvestment in those properties.

**In September 2020,** City Council adopted the Mayor's Commission's Recommendations, which directed City Staff to complete a Housing Study to focus the city's affordable housing initiatives on the appropriate price point for Lewisville residents (AMI levels). Housing Study is budgeted for FY 21-22.

**In April 2021,** City Council approved the update to the City's 2025 plan. Under the New Neighborhood Choices and Thriving Neighborhoods Big Moves states the following:





# Oak Tree Village Apartment



Year Constructed: 1985

Number of Units: 272 units

One bedroom: 116

Two bedrooms: 120

Three bedrooms: 36

Walking Distance to Hedrick Middle School

Nuisance Crime Stats: Low

Low Income Housing Tax Credits – Land Use Restrictive Agreement (LURA) for 6 more years. Current Affordability Rates:

55 units at 50% AMI

109 units at 60% AMI

Property is for sale, which means at the end of tax credits (2027) property could convert to all market rates. AMTEX proposes establishing Public Facilities Corporation to maintain affordability.



**AMCAL  
AMTEX  
AMWA**

*"AMTEX has earned my recommendation as a development partner because of the company's high integrity, flexibility, creativity, excellent market knowledge and ability to deliver to our communities much-needed affordable housing options that exceed expectations."*

*Brian Dennison, SVP, Fort Worth Housing Solutions*



The Holston, Fort Worth (2021)

- Founded in 1978
- Offices in Agoura Hills, CA and Farmers Branch, TX
- 101 employees
- 2,238 units completed and owned in Texas and 1,570 more units under-construction or in pipeline
- Vertically integrated Real Estate Company: Development, General Contracting, and Asset Management
- Excellent Financial Partners: Greystone, JP Morgan, Bank of America, Citibank, U.S. Bank, John Hancock, and more.
- Local Housing Authority Partners: Fort Worth Housing Solutions, Harris County Housing Authority, Houston Housing Authority, Travis County HFC
- #6 on nation's Top 50 Affordable Housing Developers of 2020 according to Affordable Housing Finance Magazine

# City Inspection

(April 21, 2021)

**HVAC:** All the HVAC units are 10 - 20 years old and are not energy efficient. Looks like no PM has been ever done on these units. You can see debris and leave accumulation in the outside condensing units. All the units run on R22 freon, which will be obsolete in coming years and currently R22 freon is very costly to purchase. We recommend all these HVAC units to be replaced.

**ADA:** Minimum ADA compliance throughout the property.

**Exterior Envelope:** As you can see in the photo documentation, most of the exterior coverings, fence, front entries, retaining walls and painting needs to be repaired and restored.

**Interior of the apartments:** Redo the ceiling paint with fine popcorn paint, walls need refinish and paint. All doors and closets need some repairs painted. Flooring needs to be looked into for possible replacement. Kitchen countertops need to be looked at for upgrading.

**Plumbing Fixtures:** Most of the plumbing fixtures, including sinks and toilets, are showing signs of ageing.

**Roofing:** Roof is almost 14 years old and shingle roofs normally do not last long that many years.



# Proposed Partnership

- Creation of a Public Facility Corporation takes property off the tax rolls, which enables developer to maintain affordable units.
- Housing Authority must own property and lease to the developer. Could leverage Lewisville's Housing Finance Corporation (HFC), but HFC lacks necessary staffing and expertise.
- ILA with Denton Housing Authority (DHA) allows them to operate within Lewisville's boundaries on this limited project.
- AMTEX minimum investment in property is \$2,992,000 to address property maintenance and ADA issues raised by Lewisville – interior and exterior. 182 units renovated with new countertops, flooring, cabinet fronts, light fixtures, and windows. Remaining units were previously renovated.
- AMTEX will comply with City's multifamily nuisance abatement standards, which will be set forth in the City's ILA with DHA and in the agreements between DHA and AMTEX
- Maintain Proposed Affordable Rent Levels



## Hollenbeck Terrace (before and after)

- Project of the Year – Preservation Awards, Los Angeles Conservancy, 2016.
- Best Multi-Family – Los Angeles Business Journal, 2016.
- Preservation Design Award – California Preservation Foundation, 2016.
- Best Senior and Best Transformative – Southern California Assn. of Non-Profit Housing, 2016.
- Best Historic Rehabilitations (finalist) – Readers' Choice – Affordable Housing Finance, 2016.
- Best Renovated, Restored or Adaptive Re-Use Residential Project – Gold Nugget Awards – California Building Industry Association/Pacific Coast Builders Conference, 2016

# Proposed Affordability

## Proposed Affordability:

- Current to 2027:
  - 55 units set aside for households with income at or below 50% of Area Medium Income
  - 109 units set aside for households with income at or below 60% of Area Medium Income
- 2027 to 2037:
  - 55 units set aside for households with income at or below 50% of Area Medium Income
  - 82 units set aside for households with income at or below 80% of Area Medium Income
- 2037 to Future:
  - 50% of the units set aside for households with income at or below 80% of Area Medium Income

- Income:

| AMI | Household of 1 | Household of 2 | Household of 3 | Household of 4 |
|-----|----------------|----------------|----------------|----------------|
| 50% | \$31,150       | \$35,600       | \$40,050       | \$44,500       |
| 60% | \$38,400       | \$43,860       | \$49,320       | \$54,780       |
| 80% | \$49,850       | \$57,000       | \$64,100       | \$71,200       |

- Rent

| AMI | 1 Bd Rm | 2 Bd Rm | 3 Rd Bm |
|-----|---------|---------|---------|
| 50% | \$870   | \$979   | \$1,164 |
| 60% | \$1,028 | \$1,233 | \$1,425 |
| 80% | \$1,138 | \$1,261 | \$1,755 |

A group of people in a meeting, with a woman in the foreground looking up and smiling. The background is blurred, showing other people and colorful sticky notes on a wall.

# Denton Housing Authority

# Denton Housing Authority

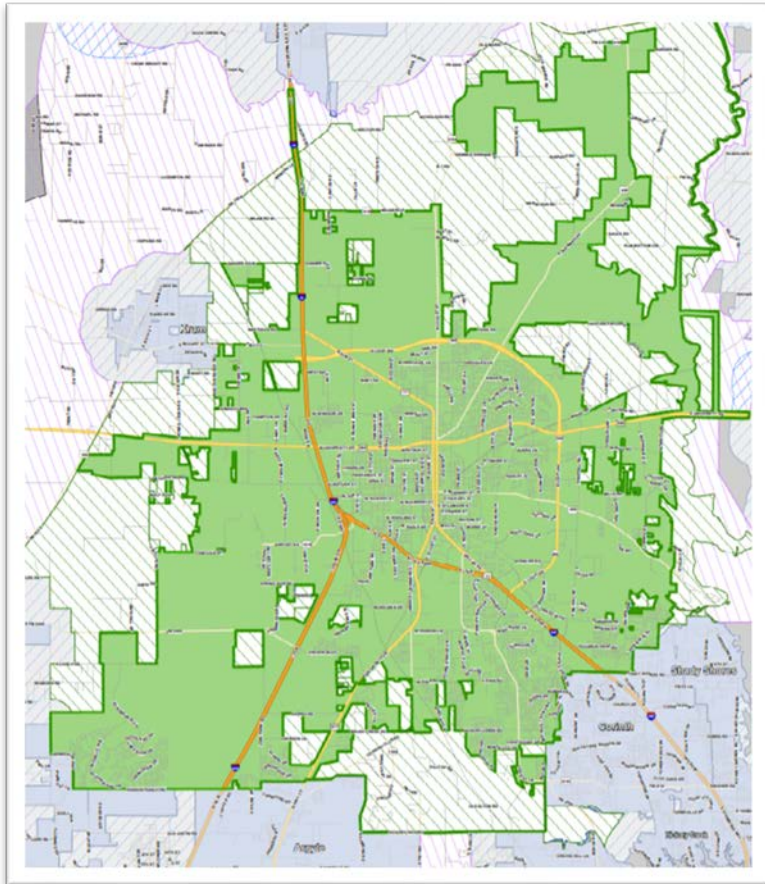


**Creation:** The Denton Housing Authority (DHA) was established in 1970 by the Denton City Council to address the housing needs of low-income families in the city of Denton.

**Current Operations:** DHA administers the Housing Choice Voucher program and either owns or is in the ownership structure of Heritage Oaks Apartments, Pecan Place, Renaissance Courts Townhouses, The Veranda, and the Enclave. DHA also has three other developments in the pipeline.

**Mission:** To promote and create suitable and affordable housing for our clients to enhance their quality of life and develop innovative programs that will encourage economic independence.

# DHA's Service Area



The current service area for DHA is the boundaries of the City of Denton. The Housing Choice Voucher Program is an exception.

Section 392.059 of the Texas Local Government Code states that housing authorities may cooperate with a municipality in providing housing for persons of low income within the boundaries of the cooperating political subdivision.

Chapter 791 of Texas Local Government Code allows cities and housing authorities to enter in an interlocal agreement in order to increase the efficiency and effectiveness of local governments.

# Proposed Ownership Structure of the Oak Tree Village Apartments



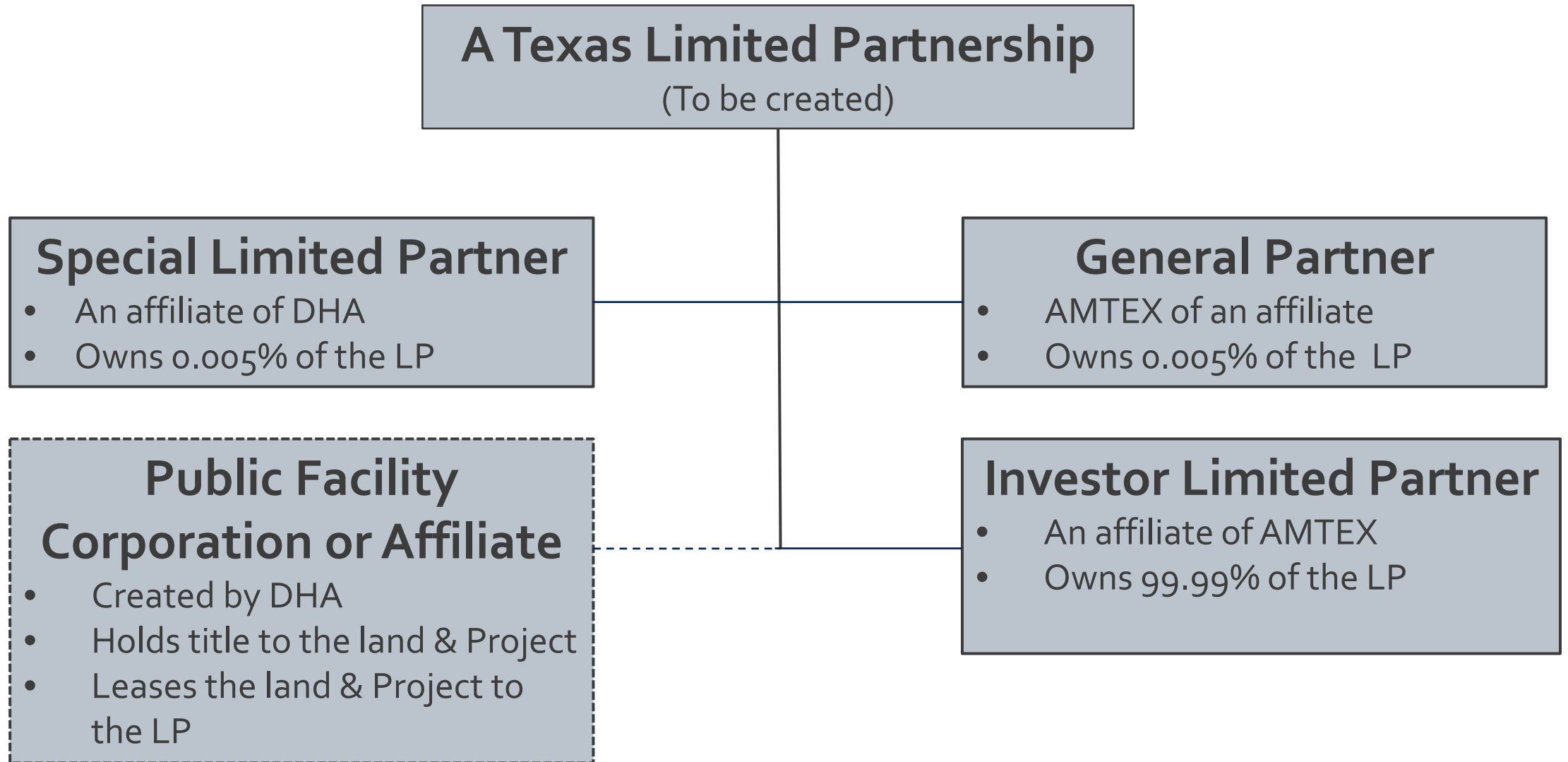
DHA and AMTEX, the developer, will create a limited partnership (LP) for the purpose of purchasing, improving and operating (through a management company) The Oak Tree Village Apartments (Project).

An affiliate of DHA will be a partner in the LP along with AMTEX and/or its affiliates.

A public facilities corporation, created by DHA, will own the land and Project and lease the land and Project to the LP.

The proposed ownership structure along with the requirement that at least 50% of the residential units will be set aside for households that make no more than 80% of Area Median Income (AMI) will cause the development to be 100% exempt from property taxes.

# Proposed Ownership Organizational Chart for Oak Tree Village Apartments



# Roles & Responsibilities



## **City of Lewisville:**

Approves the interlocal agreement

Is not part of the ownership

Does not have any liability for the Project's debt



## **Denton Housing Authority:**

Approves the interlocal agreement

Negotiates an MOU with AMTEX

Is a partner in the LP

Does not have any liability for the Project's debt



## **AMTEX and/or Affiliates:**

Is a partner in the LP

Assumes all liability for the Project's debt and provides all guarantees required in the transaction.

# Next Steps

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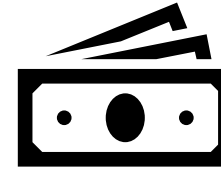


The City and DHA approve an interlocal agreement that allows DHA to be an active partner in the LP which will acquire the Project.

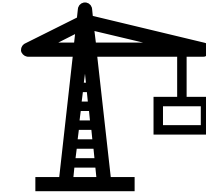


DHA negotiates a memorandum of understanding with AMTEX which will outline the business points to be included in the limited partnership agreement (LPA).

The LPA will be the governing document for the transaction.



AMTEX will secure the financing to purchase and improve the Project.



AMTEX closes on property and begins rehab process.

DHA Oversight Over Rehab & Operations

# Council Direction

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Should Lewisville move forward with DHA partnership to promote the property's rehab and maintain affordable housing stock at Oak Tree Village Apartments?