

June 22, 2011

WHEREAS, on February 22, 2006, the City Council authorized the use of \$1,000,000 of available Bond proceeds and also authorized the Public Works Department to provide infrastructure development with the remaining \$1,195,614 for eligible Neighborhood Investment Program (NIP) census tracts; 25.00, 27.01, 27.02, 39.02, 101.01, 101.02, and 115.00 for the provision of additional street infrastructure improvements to include resurfacing/reconstruction and sidewalk improvements; and

WHEREAS, on August 28, 2006, South Dallas/Fair Park Inncity Development Corporation and Dallas Neighborhood Alliance for Habitat submitted a proposal requesting \$265,000 in Bond financing to support infrastructure improvements and \$291,500 for the acquisition of improved properties in the Frazier Neighborhood Investment Program (NIP) area for the development of single-family homes; and

WHEREAS, on October 3, 2006, the Economic Development and Housing Committee was briefed on current development initiatives in the Frazier Courts neighborhood, including the proposed use of the 2003 General Obligation Bond proceeds in the NIP for Single-Family Infrastructure development to support a single-family subdivision within the Frazier Courts Neighborhood; and

WHEREAS, on October 25, 2006, the City Council authorized the use of \$265,000 of available Bond proceeds for the Frazier Courts Homeownership Project with Townhaven Companies, LLC to support infrastructure improvements; and

WHEREAS, on January 23, 2008, the City Council authorized a 0% interest loan in the amount of \$291,500 for acquisition funds for South Dallas/Fair Park Inncity CDC to purchase eleven (11) developed lots from Townhaven Companies, LLC and construct eleven (11) single family homes by Resolution No. 08-0310; and

WHEREAS, the City desires to allow for amendments to the loan agreement with ICDC in order to complete the Frazier project; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute an amendment to the loan agreement, previously approved by Resolution No. 08-0310, on January 23, 2008, with South Dallas/Fair Park Inncity Community Development Corporation (ICDC) for the acquisition of unimproved properties within the Frazier Neighborhood Investment Program area for residential development and construction of eleven (11) single-family homes to: (1) extend the term of the loan agreement from January 23, 2012 to January 23, 2013; (2) allow for ICDC to offer lease-purchase or rental options to eligible low-income households; (3) change the loan provisions from recapture to resale terms; and (4) allow the affordability period to be adjusted from ten (10) years to up to twenty (20) years for rental units.

June 22, 2011**Section 2.** The loan terms include:

- (a) The Borrower's note is \$291,500 interest free with a five year maturity; borrower must complete and sell, lease-purchase, or rent eleven (11) homes to low to moderate income families by the maturity date.
- (b) Prior to the maturity date, Borrower will be released from \$26,500 (1/11th of \$291,500) liability on the Note at the same time the low to moderate income family occupies the property.
- (c) Borrower will execute a deed restriction on the eleven (11) properties for the applicable period of affordability.

Section 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute subordination of liens to a first lender that provides construction or homebuyer mortgage loans on the property.

Section 4. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute releases of liens and terminate deed restrictions on the eleven lots upon compliance with the loan terms.

Section 5. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

DISTRIBUTION:

Housing Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN

APPROVED BY
CITY COUNCIL

JUN 22 2011


City Secretary