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COUNCIL CHAMBER  
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September 7, 2011

2011 SEP -8 AM 11:04

**WHEREAS**, on September 26, 1984, the City Council authorized the Director of Finance to receive and disburse Rental Rehabilitation Program Grant funds in accordance with the Rental Rehabilitation Program Guidelines established by Resolution No. 84-3073.

**WHEREAS**, on January 11, 1989, the City Council authorized execution of a participation contract between the City of Dallas and NationsBank to allow NationsBank to act as an administrative agent for the City's Rental Rehabilitation Program to receive and disburse funds at the direction of the City for the funding of Program loans and grants by Resolution No. 89-0192.

**WHEREAS**, on January 11, 2006, the City Council decided for the 12 month period beginning January 11, 2006 not to approve any new tax credit transactions unless a pre-application waiver was granted by the City Council by Resolution No. 06-0136, and

**WHEREAS**, the Applicant, Brian Roop, developer, (the "Applicant") submitted an application to the City of Dallas on behalf of Wynnewood Seniors Housing, LP, for support of their application to TDHCA for the 2010 Low Income Housing Tax Credit Program; and

**WHEREAS**, on February 10, 2010, the City Council approved a modification to the policy for the acceptance of applications seeking City of Dallas support for low income housing tax credits financing, when the State of Texas does not require direct City of Dallas approval; and

**WHEREAS**, on February 16, 2010, the Wynnewood Seniors Housing Low Income Housing Tax Credit (LIHTC) multifamily project was briefed to the Housing Committee; and

**WHEREAS**, on February 24, 2010, the City Council approved support of the Wynnewood Seniors Housing project; and

**WHEREAS**, the City now desires to have the entire 48 acres of the Parks at Wynnewood project site demolished over time or adaptive reuse to be developed in phases on a reduced footprint that will include a combination of both affordable multi-family housing and low-income senior housing units, working with the Council and the appropriate neighborhood groups, with Phase I being new construction of 140 housing units on approximately 6 acres, Phase II being new construction of 160 housing units on approximately 7 acres, Phase III being 160 housing units on approximately 5.5 acres and the remaining net acreage of the original 48 acres planned for residential/commercial/retail development; and

September 7, 2011

**WHEREAS**, the City and developer now desire to amend the City's support for the 2011 forward allocation of the project by replacing funding of \$1,500,000 with modification of the current City loan to the project by forgiving a \$850,000 of the \$2,193,750.00 balance of the loan in return for a \$500,000 partial lump sum repayment and an agreement from the developer to repay the remaining \$843,750.00 as a five (5) year, 0% interest loan, collateralized with the 39.5 or 42 acres remaining in the Parks of Wynnewood site after completion of Phase I; and

**WHEREAS**, as with the City's approval of the TDHCA LIHTC application for Wynnewood Seniors Housing, the owner of the project will provide social services; and

**WHEREAS**, the City of Dallas desires to provide further support to the Wynnewood Seniors Housing project to create affordable housing; **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 authorized to amend the terms of a 1993 housing redevelopment loan provided for the Parks at Wynnewood located at 1910 Argentia Drive and modify its support for the 2011 forward allocation of Low Income Housing Tax Credits (LIHTC) by the Texas Department of Housing and Community Development (TDHCA), as detailed in the nonbinding letter of intent in the attached Exhibit A, for the proposed restructuring of the City's \$2,193,750 loan to Bank of America CDC to support Wynnewood Seniors Housing, the newly proposed re-development of a portion of the 48 acre site at 1500 South Zang.

**SECTION 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute lien releases and terminate deed restrictions as needed for this transaction.

**SECTION 3.** That the City Controller is hereby authorized to receive and deposit loan repayment amount of \$500,000.00 in Fund 0617, Dept. HOU, Unit 8322, Revenue Source Code 847A.

**SECTION 4.** That the City Controller is hereby authorized to receive and deposit annual monitoring review fees in the amount of \$500.00 per year for the tax credit compliance period, in Fund 0617, Dept. HOU, Unit 8322, Revenue Source Code 847A.

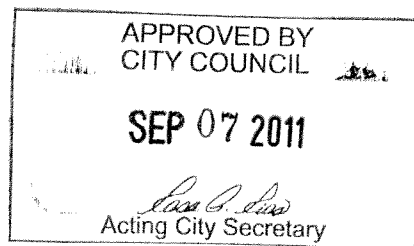
September 7, 2011

**SECTION 5.** That the City Controller is hereby authorized to receive and deposit reimbursement funds of \$125,000 for master planning for the area now occupied by the Parks at Wynnewood and the Wynnewood Village Shopping Center in Fund 0617, Dept HOU, Unit 8322, Revenue Source Code 847A

**SECTION 5.6.** 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/Community Services Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN



**Exhibit A**

August 29, 2011

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Dallas, Texas 752

Dear Mr. \_\_\_\_\_:

Below please find a draft term sheet for the proposed debt restructuring of the City's \$1,080,000 loan (not inclusive of outstanding accrued and unpaid interest) to WCH Limited Partnership to support the re-development of a 48-acre site at 1910 Argentinia, Dallas, Texas, (the "Property"). The total outstanding indebtedness is \$2,193,750 including principal in the amount of \$1,080,000 and interest in the amount of \$1,113,750. The purpose of this nonbinding letter of intent is to present an outline of certain terms of the proposed transaction to use as a basis for the preparation of definitive documents; however, unless and until approval of the City Council is obtained and mutually satisfactory definitive documents are executed and delivered, any party may discontinue negotiations hereunder and no party shall be bound.

These terms are further contingent upon the agreements and conditions set forth in this letter. We expect to ask the City Council to authorize negotiations for definitive agreements on September 7, 2011, and to approve a resolution endorsing the application to the TDHCA for the development of 140 units of seniors housing, and then have the definitive agreements agreed to and executed by Bank of America Community Development Corporation (BACDC) and Central Dallas Community Development Corporation (CDCDC), collectively known hereafter as "Developers" by December 31, 2011, to be considered by the City Council in January 2012. The Director of Housing shall have the authority to extend these deadlines for the project up to six months if necessary without City Council approval.

**Wynnewood Project:**

The Parks at Wynnewood, located at 1910 Argentinia, is a 408 unit (404 LURA-encumbered) Low-Income Housing Tax Credit ("LIHTC") multi-family project on 48 acres in the Oak Cliff neighborhood of Dallas, Texas that is currently owned by WCH Limited Partnership. Developers plan to redevelop the 408 units in phases on a reduced footprint that will include a combination of both affordable multi-family housing and low-income senior housing units. In accordance with the requirements of the existing LURA, the 48 acres must contain 404 units of low-income housing for a period of 20 more years.

The City's forgiveness of the outstanding indebtedness of \$2.2MM to WCH Limited Partnership shall correspond to the anticipated three-staged release of TDHCA's LURA on the Property as TDHCA accepts the replacement of the existing 404 LURA-encumbered units with the construction or redevelopment of 404-460 new affordable units on a smaller footprint on the Project site. For example, upon the completion of Phase I (140 units) Developers shall request the release of approximately 2.5 acres from TDHCA's LURA. The City and Developers anticipate that the staging of development, the release of TDHCA's LURA, and the forgiveness of debt shall correspond approximately as follows:

	Acreage/units developed (LURA-encumbered)	Acreage Released from LURA (Non-LURA Property)	Debt Forgiven (Net of \$500,000)
Phase I	±6 acres / 140 units	±2.5	\$850,000
Phase II	±7 acres / 160 units	±3	±421,875*
Phase III	<u>±5.5 acres / 160 units</u>	<u>±24</u>	<u>±421,875*</u>
Total	<u>±18.5 acres/460 units</u>	<u>±29.5</u>	<u>\$1,693,750</u>

\*The remaining balance will be forgiven 50%-50% between Phase II and III.

Assuming TDHCA is satisfied that its LIHTC program requirements have been met on the approximately 18.5 acres that Developers plan to develop, Developers with the City's support, will request that TDHCA release its LURA in three stages on approximately 29.5 of the total 48 acres that are currently encumbered by the LURA so that such land can be used for other types of development. Such portion of the Property that is released by TDHCA from its LURA shall be referred to herein as the "Non-LURA Property."

In connection with the development of the Property and as consideration for the City's endorsement of Developers' request to the TDHCA for such release and the City's approval of the debt restructuring described herein, Developers agree to reimburse the City up to an amount not to exceed \$125,000 for master planning for the area set forth on the attached map, including the area now occupied by the Parks at Wynnewood and the Wynnewood Village shopping center. It is anticipated that such services will be provided by the Dallas City Design Studio or a City-designated entity and that Developer shall pay for such services based on actual billings for such work within thirty days of the submission of billings for the work. Such master plan will concentrate on developing and implementing an appropriate zoning classification covering the 48 acres now occupied by the Parks at Wynnewood plus the Wynnewood Village shopping center with the goal of developing an urban framework or proper zoning for the property to 1) provide an equal or greater number of affordable housing units as are now provided on the property, but in a denser more urban design in the approximate acreage set forth herein; and 2) provide the necessary zoning for the use of the remainder of the property and the Wynnewood Village shopping center in the highest and best use that is feasible.

**The City's support for this project may be withdrawn at any stage if Developers are unable to: (1) submit a sound development plan for each phase of development that is consistent with the master plan developed for the area or (2) secure the release of**

**TDHCA's LURA for each phase of development. Upon withdrawal of the City's support, Developers shall repay the balance of its loan with the City.**

Developers agree to provide a site plan that complies with the master planning strategies developed and approved by the City for the Non-LURA Property that is not part of the LIHTC project. That plan must be approved by the City prior to any consideration by the City of public support for Phase II.

Developers shall only sell or transfer the Non-LURA Property in accordance with the master plan developed for the area. The parties anticipate that the details of such master plan will be adopted by the City and Developers prior to Council consideration.

Developers shall also develop and implement a landscaping plan and landscaping improvements including irrigation on the Property for each phase of development. The City's Director of Housing/Community Services shall review and approve the final landscaping plans.

**Debt Restructuring:**

The City has proposed, in-lieu of providing Section 108 funding, that a letter evidencing local government support be provided to the TDHCA proposing the forgiveness of \$850,000 of its existing \$1,080,000 loan to WCH Limited Partnership for Phase I. The remaining portion of its loan will be forgiven 50%-50% upon the development of Phases II and III, respectively. Such letter will evidence for TDHCA, local government support for the Wynnewood Project.

Developers agree to pay \$500,000 on the existing outstanding debt. Such payment would be set aside for any suitable affordable housing commensurate with program requirements. Bank of America will reserve the right to make public its contribution to the project(s) for which these funds were allocated.

With respect to the remaining portion of the existing debt, City and Developers would agree to the following:

- Loan balance as of the closing date of Phase I would be rolled into a 5 yr, 0% interest rate note
- If the Developers are successful in obtaining an allocation of tax credits for Phase II, the City would agree to forgive up to 50% of the balance of the note (but in no case more than 5% of the total development cost of the next phase). The City will forgive the remaining balance should Developers be successful with an allocation for the next phase of development.
- If Developers do not receive a tax credit allocation on or before the maturity date of the remaining balance on the note, the remainder of the note will be due and payable in its entirety.

**Site plan identification** – Site Plan A and Site Plan B attached.

SITE A – Actual site plan used in the 2010 LIHTC application (all 2-story on approximately 8.5 acres)

SITE B – Site plan developed between the City of Dallas, community, and Developers (contemplated to be on approximately 6 acres)

**Description of the 3 Phases of Development for the Wynnewood Project and the LIHTC Replacement Plan for the Current 404 LIHTC Units**

1) **PHASE I** – Development of 140 units of Senior Housing

- a) Developers submitted a 2010 9% LIHTC application to TDHCA and has received a forward commitment of 2011 9% LIHTCs for the redevelopment of 140 senior housing units on approximately 8.5 acres of the Property. The LIHTC requires such units be restricted to seniors over the age of 55, except as otherwise required by law, for this phase of development of the Project.
- b) Developers require City support/commitment funding letter, including \$850,000 in loan forgiveness, for the current 2011 TDHCA allocation of low income housing tax credits. The 2011 LIHTC award was based upon a 2010 9% LIHTC application that included SITE A plan as the projects development site/construction plan. City and Developers agree that they will work together and present evidence satisfactory to the TDHCA that fulfills the local support obligation required by the TDHCA.
- c) The new LURA will encumber the 140 units only on the approximately 6 acres of SITE B for 40 years.
- d) Upon receipt of the letter in 1(a) above, Developers agree to the following:
  - i) Appeal to TDHCA Board for an application amendment requesting a change in the site plan and/or a reduction in the amount of acreage to be utilized in conjunction with the 2011 forward allocation.
  - ii) Commitment to work with Councilman Griggs' office, the City, and the neighborhood in creating a site plan that will contain 140 senior units on approximately 6 acres known as SITE B. The SITE B plan will be a more urban, compact site plan construction and parking will be reduced from the current 1.13 parking spots per unit. An agreement must be reached with all parties regarding SITE B by no later than September 15, 2011.
  - iii) If SITE B is agreed upon by September 15, then the City and Developers will work together to achieve proper zoning, if required, either thru zoning change or by obtaining a PD overlay allowing for the SITE B plan (subject to CPC and City Council approvals in their unqualified discretion).

- iv) Zoning, if required, must be obtained by no later than December 31, 2011.
- v) Developers agree to submit the revised site plan to the TDHCA board by no later than the first available board meeting in 2012. (Note - there is a 45 day deadline by which information must be submitted to TDHCA to be included on the TDHCA board agenda). Developers will also request TDHCA to release at least 28 units on land equal to approximately 2.5 acres from its LURA based on the "excess" of affordable units created by the Phase I development (140 affordable units will be created while no more than 108 affordable units will be demolished.)
- vi) If Developers are unable to obtain approvals for the SITE B plan or the necessary zoning changes by December 31, 2011, or if Developers do not submit the agreed upon SITE B plan to the TDHCA board, then the City will terminate its commitment for Phase I and demand payment of the entire remaining balance of the debt.
- vii) Further, if Developers are unable to obtain the required LURA releases for this stage of development, the City shall demand payment of the entire remaining balance of the debt.

## **2) PHASE II**

- a) Developers plan to redevelop Phase II as a Family LIHTC project with a maximum of 160 units or any other blended solution that integrates an adaptive reuse of existing structures with market units on the site.
- b) Developers will commit to use its best efforts to engage New Market Tax Credits and CRA groups to assist this development phase and to cooperate with the City in these endeavors.
- c) The new LURA will encumber the 160 units only on approximately 7 acres for 40 years.
- d) Developers expect to submit an application for Phase II no later than the 2013 tax credit allocation round, with extensions by the City if appropriate in its sole discretion. Typically, the submittal goes in to the TDHCA in March of each year with awards announced in July.
- e) If the application is successful, Developers will again request TDHCA to release additional units including the land associated with such units from the LURA based on the replacement of such units with units developed in Phase II.
- f) Developers agree to develop the Non-LURA Property in accordance with the master plan and Planned Development District.
- g) If Developers are unable to obtain City approval for its development plan for Phase II or is unable to secure the required LURA releases for this stage of development, then the City will terminate its commitment for Phase II and demand payment of the remaining balance of the loan.



### 3) PHASE III

- a) For Phase III, Developers plan to develop a LIHTC senior housing project with a maximum of 160 units or any other blended solution that integrates an adaptive reuse of existing structures with market units on the site. Phase III is dependent on the completion of Phase I & II.
- b) Developers will commit to use its best efforts to engage New Market Tax Credits and CRA groups to assist this development phase and to cooperate with the City in these endeavors.
- c) The new LURA will encumber the 160 units only on approximately 5.5 acres for 40 years.
- d) Developers expect to submit an application for this phase no later than the 2015 tax credit allocation round, with extensions by the City if appropriate in its sole discretion. Typically, the submittal goes in to the TDHCA in March of each year with awards announced in July.
- e) If the application is successful, Developers will again request TDHCA to release additional units including the land associated with such units from the LURA based on the replacement of such units with units developed in Phase III. Additionally, Developers shall seek releases from TDHCA's LURA on the remaining acreage on the Property.
- f) Developers shall begin market analysis/planning by no later than September 1, 2013, for what the Non-LURA Property could accommodate or best be utilized for, in terms of future development.
- g) Developers agree to develop the Non-LURA Property in accordance with the master plan and Planned Development District.
- h) If Developers are unable to obtain approval for its Phase III development plan or is unable to secure the required LURA release for this stage of development, then the City will terminate its commitment for Phase II and demand payment of the remaining balance of the loan.

This letter supersedes all prior meetings and correspondence. Please note that we do not have the authority to bind the City in any way. Authority to bind the City is reserved to City Council and that body is entitled, in its absolute discretion (subject to state law, City Charter, and City Code) to approve, disapprove or refuse to consider any proposed term sheet presented to said council.

Parks at Wynnewood Master Development Term Sheet  
August 29, 2011  
Page 7

Agreed:  
City of Dallas

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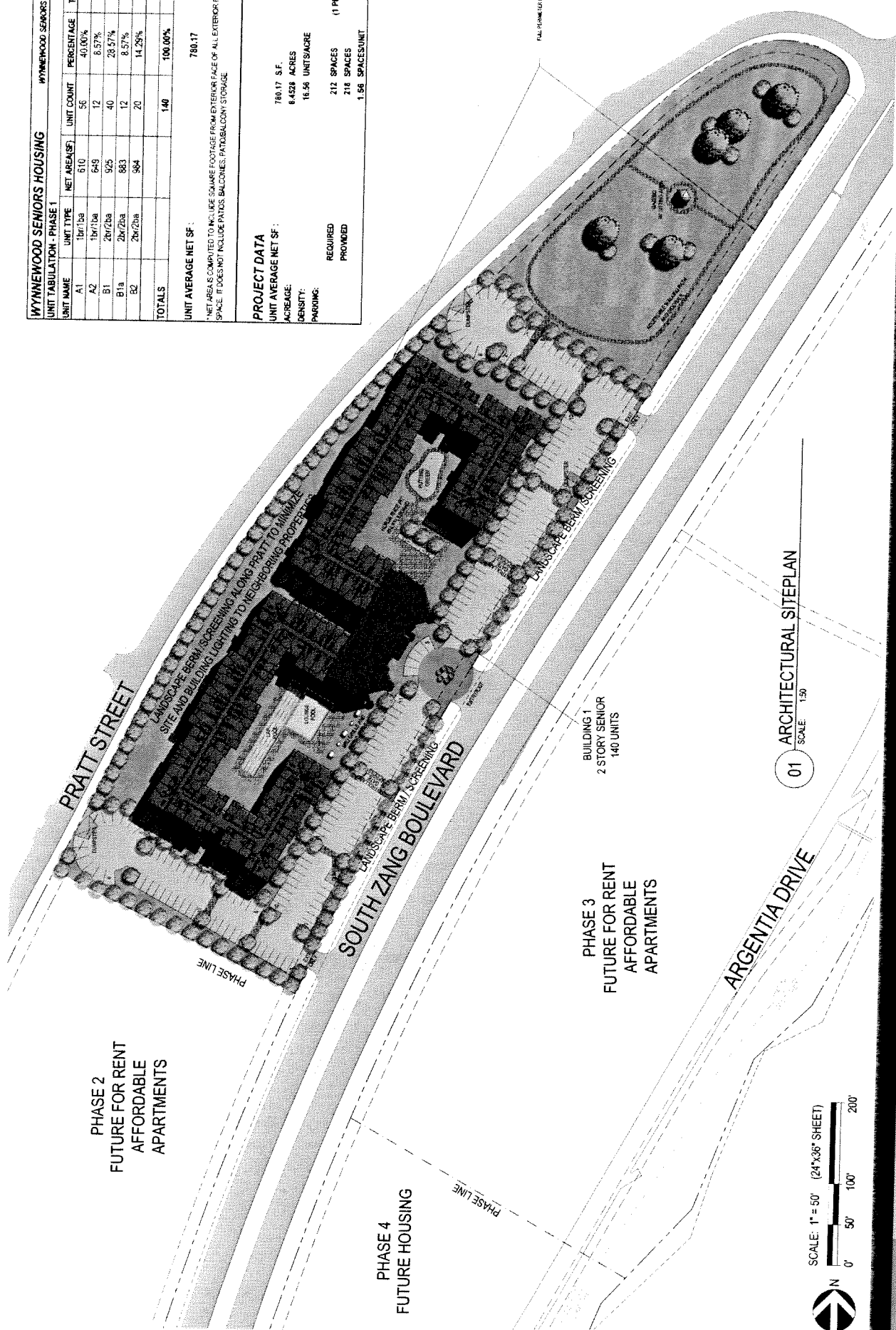
By: Jerry Killingsworth  
Its: Director of Housing/Community Services

Bank of America CDC

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By:  
Its:

WYNNEWOOD SENIORS HOUSING						2608627
WYNNEWOOD SENIORS HOUSING L.P.						2023/10
UNIT NAME	UNIT TYPE	NET AREA(SF)	UNIT COUNT	PERCENTAGE	TOTAL AREA	% BREAKDOWN
A1	1br/1ba	610	56	40.00%	34,160	48.57%
A2	1br/1ba	649	12	8.57%	7,788	
B1	2br/2ba	925	40	28.57%	37,000	51.43%
B1a	2br/2ba	883	12	8.57%	10,596	
B2	2br/2ba	984	20	14.29%	19,680	
TOTALS			140	100.00%	109,224	
UNIT AVERAGE NET SF: 780.17						
*NET AREA IS COMPUTED TO INCLUDE SHARED FOOTAGE FROM EXTERIOR FACE OF ALL EXTERIOR FRAME WALLS THAT ENCLOSE A/C SPACE. IT DOES NOT INCLUDE PORCHES, BALCONIES, PATIO/BALCONY STORAGE						
PROJECT DATA						
UNIT AVERAGE NET SF: 780.17 S.F.						
ACREAGE: 8.4328 ACRES						
DENSITY: 16.56 UNITS/ACRE						
PARKING: 212 SPACES (1 PER BEDROOM)						
REQUIRED: 218 SPACES						
PROVIDED: 1.98 SPACES/UNIT						



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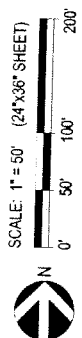
WYNNEWOOD SENIORS HOUSING  
WYNNEWOOD SENIORS HOUSING, L.P.  
DALLAS, TX



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5/4/2010

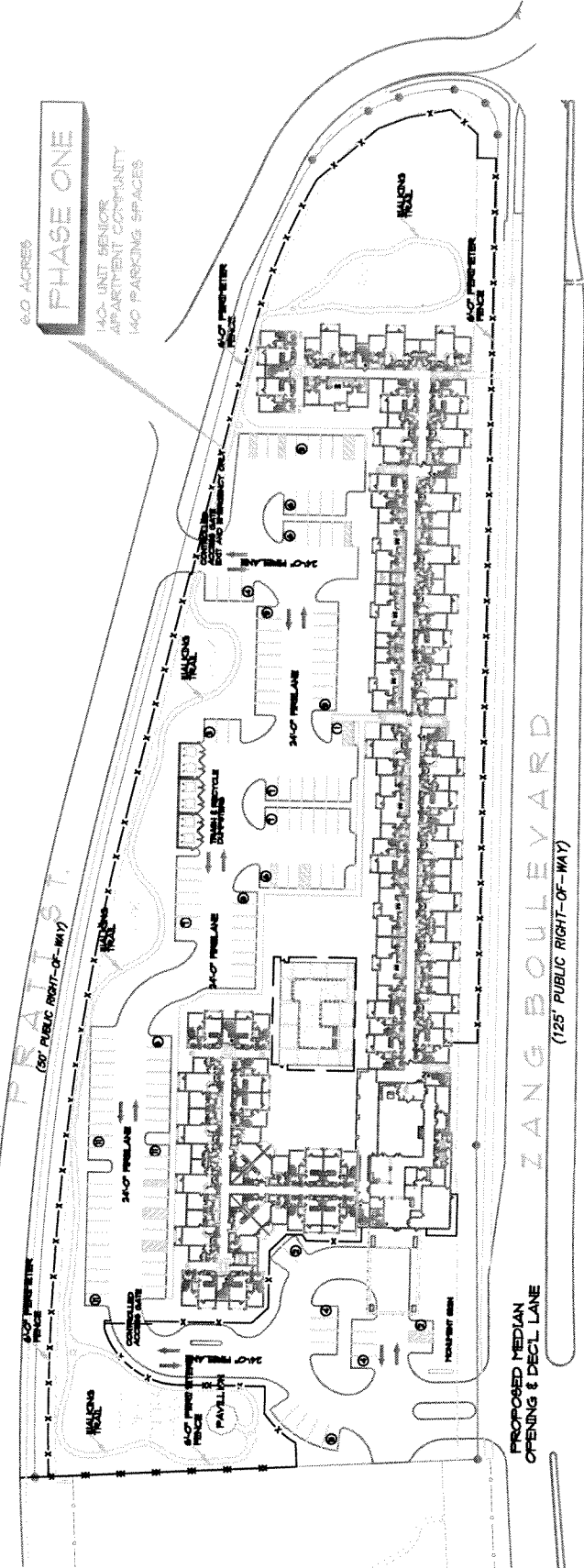
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Dimensions shown are of a single unit only. Refer to surveys and civil drawings for technical information and requirements.



DATE	08/11/11
PROJECT	WYNEWOOD SENIOR COMMUNITY
LOCATION	3000 WEST WYNEWOOD AVENUE, SUITE 100, DALLAS, TEXAS 75244
SCALE	1/8" = 1'-0"
DRAWN BY	J. HARRIS
CHECKED BY	J. HARRIS
DATE	08/11/11



ARCHITECTURAL SITE PLAN (REFERENCE ONLY)  
SCALE: 1/8" = 1'-0"

SITEPLAN GENERAL NOTES

1. THE ARCHITECTURAL DRAWINGS SPECIFICALLY LOCATE APPROXIMATE LOCATION OF BUILDING, PARKING AND DRIVEWAYS ONLY.
2. REFER TO LANDSCAPE ARCHITECT'S DRAWINGS FOR LANDSCAPING, SODS, ACCESSIBLE ROUTES TO BUILDING PER REQUIREMENTS OF THE FAIR HOUSING ACT, ADA, AND OTHER APPLICABLE CODES AND STANDARDS.
3. REFER TO CIVIL ENGINEER'S DRAWINGS FOR LEGAL DESCRIPTION AND LOCATION OF REQUIRED RETAINING WALLS.
4. ALL DIMENSIONS INDICATED ON THIS PLAN ARE FOR REFERENCE ONLY. REFER TO ALL UTILITY DRAWINGS FOR ALL DIMENSIONAL CONTROL, GRADES, DRAINAGE & UTILITY WORK.
5. ALL SURFACE MATERIALS SHALL MEET CITY OF DALLAS, TEXAS PUBLIC WORKS & DEPT. HIGHWAY STANDARDS.
6. ALL LANDSCAPING SHALL BE PROVIDED IN ACCORDANCE WITH ALL STANDARDS AND REQUIREMENTS SET FORTH BY CITY OF DALLAS, TEXAS & DALLAS COUNTY, TEXAS, LUMBER AND EXT. SPECS SHALL MEET CITY REQUIREMENTS.
7. ALL WORK IS TO BE PERFORMED IN ACCORDANCE WITH THE REQUIREMENTS OF THE APPROVED CIVIL DRAWINGS, THE 2008 INTERNATIONAL BUILDING CODE & OTHER REQUIREMENTS AND ORDINANCES OF THE CITY OF DALLAS, TEXAS.
8. BUILDING IDENTIFICATION SIGNS AND DIRECTIONAL SIGNS SHALL BE IN ACCORDANCE WITH CITY REQUIREMENTS.
9. REFER TO MECHANICAL ENGINEER'S DRAWINGS FOR LOCATIONS OF ALL VENTILATION PANELS, CLEAN OUTS, TRANSPORTERS AND PARKING LOT LIGHTING.
10. PROVIDE HANDICAP MAPS AT SIDEWALKS BASED ON AND AS REQUIRED BY CITY OF DALLAS, TEXAS.
11. PINE LANE STREET AND CONTINUATION TO BE PER CITY OF DALLAS, TEXAS REQUIREMENTS.
12. REFER TO CIVIL DRAWINGS FOR DETENTION REQUIREMENTS IF ANY.
13. ALL PAVING, CURBS, AND SIDEWALKS TO BE BUILT AND DETAILED PER CITY OF DALLAS (1994) STANDARD.

Handicap Units  
Hearing & Vision Impaired Units