

WHEREAS, in order to receive grant funds from applicable U.S. Department of Housing and Urban Development (HUD) programs, including Community Development Block Grant (CDBG), HOME Investment Partnership Grant (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), the City of Dallas is required to complete and submit a Consolidated Plan; and

WHEREAS, a Consolidated Plan is a comprehensive analysis and strategic plan that identifies city needs and proposed resources, as well as establishes priorities to address those identified needs with applicable HUD funds; and

WHEREAS, the City's current Consolidated Plan covers a planning period of five years from 2008-09 through 2012-13 and was submitted to HUD in August, 2008; and

WHEREAS, pursuant to the City's Citizen Participation Plan, incorporating additional priority needs into the Consolidated Plan constitutes a substantial amendment; and

WHEREAS, federal regulations and the City's Citizen Participation Plan require a public hearing to authorize a substantial amendment and requires that a public hearing be held with not less than a 30-day public review and comment period to allow for public comments and input with respect to any substantial amendment; and

WHEREAS, holding a public hearing on May 9, 2012, will satisfy requirements set forth in federal regulations and the City's Citizen Participation Plan; and

WHEREAS, the City of Dallas seeks to keep momentum going in growth prone areas and stimulate investment in more challenged areas by providing a substitute for declining availability of capital funding while banks are not willing to loan as much against collateral, interest rates for available funding have increased and proceeds from sales of tax credits has declined; and

WHEREAS, on June 13, 2007, the City Council authorized a development agreement with PC LH Land Partners, LP ("PC LH") to provide TIF funding not to exceed \$23,000,000 related to the development of the Lake Highlands Town Center by Resolution Nos. 07-1739 and 07-1740; and

WHEREAS, on November 17, 2008, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Loan Application authorization for the use of Section 108 Guarantee Loan funds to provide project gap financing or mezzanine debt necessary to move projects forward in today's financial market, to minimize, if not eliminate, the risk to the CDBG program revenue and set guidelines by which the funds would be used; and

WHEREAS, on January 5, 2009, the Economic Development Committee and the Housing Committees were briefed and gave favorable approval on CDBG Section 108 Guarantee Loan fund application requirements and proposed Program Guidelines for the City to apply for up to a total of \$75,000,000 in guarantee loans; and

WHEREAS, on January 28, 2009, the City Council adopted CDBG Section 108 Guarantee Loan Program Statement, setting out the program purpose, description, operations and project criteria by Resolution No. 09-0291; and

WHEREAS, on June 20, 2011, the Economic Development Committee was briefed and gave favorable approval on a proposed amendment to the TIF development agreement with PC LH Land Partners, LP for development of the Lake Highlands Town Center Project to increase TIF funding to \$40,000,000; and

WHEREAS, on June 22, 2011, the City Council authorized an amendment to the TIF development agreement with PC LH Land Partners, LP ("PC LH") to provide an increase in funding related to the development of the Lake Highlands Town Center Project not to exceed \$40,000,000 by Resolutions Nos. 11-1744 and 11-1745; and

WHEREAS, the developer has submitted a proposal to the City for Community Development Block Grant Section 108 Guarantee Loan funds for eligible economic development activities related to the development of the Lake Highlands Town Center Project; and

WHEREAS, on December 5, 2011, the Economic Development Committee was briefed on the developer's request for Section 108 Guarantee Loan funds in the amount of \$13,350,000 for development of Phase I of the Lake Highlands Town Center Project and voted to favorably recommend that the City apply for Section 108 Guarantee Loan funds for the project; and

WHEREAS, on December 14, 2011, the City Council authorized a public hearing to be held on January 25, 2012, to receive comments on the proposed City of Dallas submission of an application to HUD for a Section 108 loan not to exceed \$13,350,000 for the Lake Highlands Town Center Project by Resolution No. 11-3306; and

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WHEREAS, on January 25, 2012, the City Council held a public hearing and authorized submission of a Section 108 Guarantee Loan Program loan application to the U.S. Department of Housing and Urban Development for a CDBG Section 108 Guarantee Loan Program loan in an amount not to exceed \$13,350,000 to fund a loan to PC LH Land Partners, LP, its affiliates or assigns, for development of Phase I of the Lake Highlands Town Center Project in the 7140 and 7160 blocks of Skillman Street consisting of construction of commercial buildings and structured parking, sitework, loan interest reserve, and financing costs related to public offering for development of commercial project including approximately 165,000 square feet of commercial space including grocery anchor, retail, office, restaurant, and service-oriented businesses that will create an estimated 382 jobs for individuals with incomes at 80% or less of Area Median Family Income as established by HUD by Resolution No. 12-0337; and

WHEREAS, the City submitted an application to HUD on February 2, 2012, for Section 108 Guarantee Loan Program loan in the amount of \$13,350,000 for development of Phase I of the Lake Highlands Town Center Project; **NOW, THEREFORE**,

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

SECTION 1. That preliminary adoption of Substantial Amendment No. 14 to amend the 2008-2009 through 2012-13 Consolidated Plan and the FY 2011-2012 Action Plan for applicable U.S. Dept of Housing and Urban Development Funds to incorporate additional City priority need and resources including (a) job creation as an enumerated CDBG activity to expand economic opportunities for low-and moderate-income persons and (b) identification of the Lake Highlands Town Center Project as an eligible CDBG economic development activity providing permanent full-time jobs for low-and moderate-income persons is authorized.

SECTION 2. That a public hearing be held on May 9, 2012, to receive comments on Substantial Amendment No. 14 to the Consolidated Plan and Action Plan.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

