WHEREAS, on August 9, 2006, the City Council approved an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006, for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements; and

WHEREAS, on November 7, 2006, the voters of Dallas approved a $1.35 billion General Obligation Bond Program of which $41,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development; and

WHEREAS, on December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas by Resolution No. 12-3075; and

WHEREAS, on September 10, 2008, the City Council approved a loan in the amount of $500,000 at 0% interest to CWCDC for the Lancaster/Opal project by Resolution No. 08-2433; and

WHEREAS, on August 12, 2009, the City Council approved an amendment to the development loan from $500,000 to $1,000,000 with CWCDC by Resolution No. 09-1965; and

WHEREAS, on January 12, 2011, the City Council approved an amendment to the development loan from $1,000,000 to $1,275,000 with CWCDC by Resolution No. 11-0194; and

WHEREAS, on August 28, 2013, the City Council approved an amendment to reduce the development loan from $1,275,000 to $1,031,326 and to extend the completion date to September 12, 2016 with CWCDC by Resolution No. 13-1515; and

WHEREAS, City Wide CDC proposes to continue to work with the City of Dallas on the Lancaster/Opal Project; and

WHEREAS, the acquisition and redevelopment of the Property will further the City's goals for redevelopment in the Southern Sector; **NOW, THEREFORE**

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

COUNCIL CHAMBER

141056
<u>June 25, 2014</u>

SECTION 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to increase the loan amount on an existing development loan with City Wide Community Development Corporation for acquisition, demolition, relocation, and other related costs for Lancaster-Opal Project from $1,031,326 to $1,331,326 .

SECTION 2. That some of the terms of the loan documents continue to include:

a. If Borrower fails to redevelop all of the acquired properties with residential, retail, commercial, or mixed-use structures by the maturity date of each loan agreement, then fee simple title to the acquired properties will be conveyed to the City of Dallas. To be considered "redeveloped," the properties must be improved with either residential units that have all been constructed and sold or rented, or with retail, commercial, or mixed-use buildings which have all been completed, as evidenced by a certificate of occupancy having been obtained from the City of Dallas for each such building.

b. If Borrower fails to timely comply with the redevelopment requirements in Section 2(a) hereof, the City of Dallas has the option to require Borrower to convey fee simple title to the undeveloped properties acquired with bond funds to the City of Dallas, free of any liens or encumbrances not acceptable to the City.

c. Borrower shall maintain ownership of acquired property through the maturity date, subject to Borrower's compliance with the loan documents.

d. Borrower will comply with City of Dallas filed deed restrictions and City's first lien deed of trust securing each property acquired with bond funds.

e. The loan will continue to carry zero percent interest during the extended term.

f. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or replat change that Borrower may request for the properties.

g. Borrower shall obtain approval from the City for the permitted uses of the properties. Residential units must be sold or rented. "Permitted uses" includes those uses that are permitted under the Dallas Development Code on the property, but in no event may they include any use that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio, as those terms are defined by the Dallas Development Code.

h. As each residential structure is sold or fully leased and each non-residential structure is issued a certificate of occupancy, Borrower will be released from the indebtedness on the note corresponding to the amount of loan proceeds that were advanced in order to acquire the redeveloped parcel, and the City of Dallas will release the Deed Restrictions for that parcel.

i. Intermediate benchmarks for progress acceptable to the City of Dallas will be re-established in the modified loan documents.

SECTION 3. That the City Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contract as follows:

City Wide Community Development Corporation   Vendor # VS0000026872

Fund 2U53, Dept HOU, Unit S803, Actv. HO98, Obj. 3015, Program # HOULANCO1, CT HOUS803I121

SECTION 4. That the City Controller is hereby authorized to set up receivable balance sheet account 033F and an allowance for uncollectible debt 022D in Fund 2U53 for the amount of the loan.
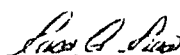
SECTION 5. That the City Manager, upon approval as to form by the City Attorney, is authorized to subordinate City's lien to a lender who is providing interim construction financing on the properties.

SECTION 6. That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available bond funding, and there will be no liability or obligation on the City until final contract documents are approved, executed and final closing completed.

SECTION 7. 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.

APPROVED BY
CITY COUNCIL

JUN 2 5 2014

[signature]
City Secretary