

**WHEREAS**, affordable housing for low and moderate income families is a high priority of the City of Dallas; and

**WHEREAS**, on June 27, 2012, City Council approved the FY 2012-13 Consolidated Plan Budget for FY 2012-13 federal funds which included the Community Based Development Organizations (CBDOs) in the Community Development Block Grant Funds, by Resolution No. 12-1629; and

**WHEREAS**, the Community Housing Development Organization (CHDO) Program requires a CHDO Set-Aside Project commitment within 24-months of receiving the funds of the CHDO Operating Assistance Grant award and this project satisfies that requirement; and

**WHEREAS**, on April 6, 2015, the Housing Committee received a briefing memo on the Single Family NOFA CHDO Project recommendations; and

**WHEREAS**, Builders of Hope CDC (BOH) proposes to work with the City of Dallas to undertake the development of ten (10) affordable units in the Creekside Project; and

**WHEREAS**, the City desires for BOH to develop affordable units for low and moderate income families; **NOW, THEREFORE,**

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

**Section 1.** That following approval as to form by the City Attorney, the City Manager is authorized to execute a housing development loan in an amount not to exceed \$225,000 with Builders of Hope CDC (BOH), a certified CHDO, for the development of ten affordable single family homes to be located in the Creekside Project.

**Section 2.** The terms of the loan agreement include:

- (a) BOH must execute a note payable for \$225,000 to the City of Dallas for the loan.
- (b) Lessor will execute and record a deed of trust to each property.
- (c) Lessor and BOH will execute and record deed restrictions as to each property detailing the 10-year affordability period.
- (d) BOH will execute and record leasehold deeds of trust as to each property.
- (e) BOH will use the funds to gap the construction costs for the units and to provide a developer fee in the amount of \$120,000.
- (f) BOH will keep the proceeds from the sale of the units.
- (g) BOH will have one (1) year to fully complete the project and sell each of the 10 homes.

- (h) BOH must build and occupy the affordable units with low and moderate income families with incomes at or below 80% of area median family income.
- (i) The City will subordinate first lien position to the interim construction lender.
- (j) BOH and Lessor will be partially released from their liens on a prorata basis as each home is built and sold to a low-income homebuyer.
- (k) Lessor must agree that the 10 lots will not be sold and the ground lease will not be terminated during the term of the City's loan agreement with BOH.
- (l) Lessor must agree that upon completion of each home Lessor shall sell its lot to the low income homebuyer, and shall not execute the right of purchase detailed in the ground lease.

**Section 3.** 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 property upon compliance with the loan terms and deed restrictions.

**Section 4.** That the Chief Financial Officer is authorized to disburse funds in accordance with this resolution as follows:

Builders of Hope CDC      Vendor # 337558

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object Code</u>	<u>Program #</u>	<u>Encumbrance</u>	<u>Amount</u>
HM12	HOU	890E	3015	HM12Creek	HOU890EF152	\$225,000

**Section 5.** That the City Controller is hereby authorized to record notes receivable-developers loan in balance sheet account (033F) an allowance for uncollectible debt in (022D) in fund HM12 for the amount of the loan.

**Section 6.** That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to the loan, until such time as the loan documents are duly approved by all parties and executed.

**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

MAY 27 2015

*Lucas A. Davis*  
City Secretary