

September 9, 2015

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, on June 26, 2013, City Council approved the City of Dallas Consolidated Plan Budget for FY 2013-14 federal funds which included the HOME Investment Partnerships Funds for Housing Development Loan Program, by Resolution No. 13-1142; and

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

WHEREAS, East Dallas Community Organization (EDCO) proposes to work with the City of Dallas to undertake the development of eight (8) units at the 2400 Block of Hooper Street; and

WHEREAS, the City desires for EDCO 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 (1) a housing development loan in an amount not to exceed \$900,000; and (2) a conditional grant agreement in an amount not to exceed \$405,040 for a mixed income housing development project with East Dallas Community Organization, a certified Community Housing Development Organization, for construction of eight (8) single family homes located in the 2400 block of Hooper Street.

Section 2. The terms of the loan agreement include:

- (a) Six (6) of the 8 units will be subject to the HOME loan conditions.
- (b) EDCO must execute a note payable of \$900,000.00 to the City of Dallas for the HOME loan.
- (c) EDCO will execute a lien through a Deed of Trust and deed restrictions for a 15-year term for the affordable units.
- (d) EDCO will remit any proceeds from the sale of each home to the City of Dallas after paying any interim construction liens and approved closing cost.
- (e) EDCO will have two (2) years to fully complete the project.

- (f) EDCO must build and occupy the affordable units to low and moderate income families with incomes at or below 80% of area median family income (AMFI).
- (g) The City may subordinate first lien position to the interim construction lender.
- (h) The City will release EDCO's lien and forgive the debt on a prorata basis as each unit is sold to a low-income household at or below 80% AMFI and the loan proceeds will be returned to the City.

Section 3. The terms of the conditional grant agreement include:

- (a) Two (2) of the 8 units will be subject to the conditional grant agreement conditions.
- (b) EDCO will execute and record a performance deed of trust and deed restrictions. The performance deed of trust and deed restriction will be released as to each property as the house is built and sold to a household earning at or below 140% AMFI.
- (c) EDCO may receive up to \$15,000 for each of the eight homes from bond funds for developer fees.
- (d) EDCO will have two (2) years to fully complete the project.
- (e) EDCO must build and occupy the affordable units to households earning at or below 140% AMFI.
- (f) The City will subordinate first lien position to the interim construction lender.

Section 4. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute releases of liens, forgive the debt and terminate deed restrictions on the properties upon compliance with the loan and conditional grant terms or deed restrictions.

Section 5. That the Chief Financial Officer is authorized to disburse funds in accordance with this resolution as follows:

East Dallas Community Organization Vendor # 354413

<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Object Code</u>	<u>Program #</u>	<u>Encumbrance</u>	<u>Amount</u>
HM12	HOU	893E	3015	3U53HOOP	HOU893EK180	\$506,002
HM13	HOU	236F	3015	3U53HOOP	HOU893EK180	\$369,051
HM13	HOU	233F	3015	3U53HOOP	HOU893EK180	\$24,947
3U53	HOU	W025	3015	3U53HOOP	HOU893EK180	\$405,040

Section 6. That the City Controller is hereby authorized to record notes receivable - developers loan in balance sheet account (033F) and deferred revenue-home loan in (0859) in funds HM12 and HM13 for the amount of the \$900,000 loan.

Section 7. That the City Controller is hereby authorized to record notes receivable in balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund 3U53 (forgivable grant) for the amount of the \$405,040 grant.

Section 8. 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 or conditional grant, until such time as the loan and conditional grant documents are duly approved by all parties and executed.

Section 9. 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

SEP 09 2015

Steve A. Pires
City Secretary