

February 27, 2019

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation; and

**WHEREAS**, on November 28, 2018, City Council adopted certain amendments to the Policy in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA); and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and TX Casa View 2018, Ltd. submitted an application for gap financing and received a fundable score; and

**WHEREAS**, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in TX Casa View 2018, Ltd.; and

**WHEREAS**, the proposed development is located in the Casa View Stabilization target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development for seniors providing at least 239 units to households earning 60% or below of Area Median Income and the remaining units as market rate and provides future residents with access to opportunities such as transit, park, community center, and retail; and

**WHEREAS**, TX Casa View 2018, Ltd. has advised the City that it intends to submit an application to TDHCA for 2019 4% Non-Competitive HTC for the proposed acquisition of the land and existing improvements, the rehabilitation of existing units, and the construction of new improvements for the development of Estates at Shiloh Apartments; and

**WHEREAS**, pursuant to Section 11.9 of the Qualified Allocation Plan and Chapter 2306 of the Texas Government Code, the City desires to provide a Resolution of No Objection to the TX Casa View 2018, Ltd. for the 2019 4% Non-Competitive HTC application for the Estates at Shiloh Apartments located at 2649 Centerville Road, Dallas, TX 75228.

February 27, 2019

**Now, Therefore,**

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

**SECTION 1.** That the City of Dallas, acting through its Governing Body, hereby confirms that it has no objection as to TX Casa View 2018, Ltd.'s application to TDHCA's 2019 4% Non-Competitive HTC for the proposed acquisition of the land and existing improvements, the rehabilitation of existing units, and the construction of new improvements for the development of the Estates at Shiloh Apartments located at 2649 Centerville Road, Dallas, TX 75228 for the development of a 264-unit mixed-income multifamily complex for seniors and that this formal action has been taken to put on record the opinion expressed by the City of Dallas on February 27, 2019.

**SECTION 2.** That in accordance with the requirements of the Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), it is hereby found that:

- a. Notice has been provided to the Governing Body in accordance with Texas Government Code §2306.67071(a); and
- b. The Governing Body has had sufficient opportunity to obtain a response from TX Casa View 2018, Ltd. regarding any questions or concerns about the proposed acquisition and development of the Estates at Shiloh Apartments; and
- c. The Governing Body has held a hearing at which public comment may be made on the proposed acquisition and development of the Estates at Shiloh Apartments in accordance with Texas Government Code §2306.67071(b) and Texas Administrative Code §10.204(4)(B); and
- d. After due consideration of the information provided by TX Casa View 2018, Ltd. and after the public hearing on the proposed acquisition and development of Estates at Shiloh Apartments, the City of Dallas, acting through its Governing Body, does not object to the application by TX Casa View 2018, Ltd. to the TDHCA for 2019 4% Non-Competitive HTC for the purpose of the acquisition and development of the Estates at Shiloh Apartments.

**SECTION 3.** That it is FURTHER RESOLVED that for and on behalf of the Governing Body, the Mayor or the City Manager, are hereby authorized, empowered and directed to certify these resolutions to the TDHCA.

February 27, 2019

**SECTION 4.** That the City Manager, conditioned upon TX Casa View 2018, Ltd. receiving a 2019 4% HTC award from TDHCA and upon City Council's final adoption of the CDBG Reprogramming Budget No. 1 on April 10, 2019, is hereby authorized to execute **(1)** a development loan agreement with TX Casa View 2018, Ltd. or an affiliate thereof in an amount not to exceed \$3,801,000.00 of Community Development Block Grant (CDBG) funds; **(2)** a conditional grant agreement with a nonprofit entity, to be determined and subject to approval by the Director of Housing and Neighborhood Revitalization (Director), to be simultaneously loaned to TX Casa View 2018, Ltd. and the loan documents collaterally assigned to the City in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond (GO Bond) Funds; and **(3)** all other necessary documents including, but not limited to a promissory note, deed of trust, deed restrictions and collateral assignments to effectuate the transaction for the development of a mixed-income multifamily complex for seniors located at 2649 Centerville Road, approved as to form by the City Attorney.

**SECTION 5.** That the City of Dallas Housing Finance Corporation is authorized to purchase and own the land, enter into a long-term ground lease with TX Casa View 2018, Ltd., and take an ownership interest in TX Casa View 2018, Ltd. conditioned upon TX Casa View 2018, Ltd. receiving a 2019 4% HTC award.

**SECTION 6.** That the conditional grant agreement, development loan agreement, and all other related documents will include the terms and conditions listed in the development term sheet, attached hereto as **Exhibit B**.

**SECTION 7.** That the City Manager is hereby authorized to execute each of the agreements described herein including any financing and associated documents related to the conditional grant agreement and loan agreement, subordinations to the senior lender for a loan in a greater amount, and release of liens and termination of deed restrictions on the property upon satisfaction of all applicable conditions, approved as to form by the City Attorney. The Director may extend deadlines by up to one year.

February 27, 2019

**SECTION 8.** That the Chief Financial Officer is hereby authorized to encumber and disburse funds to TX Casa View 2018, Ltd., Vendor VS99112, contingent upon City Council's final adoption of CDBG Reprogramming Budget No.1 on April 10, 2019, as the City receives and reviews reimbursement requests and related supporting documentation submitted by TX Casa View 2018, Ltd. for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$4,000,000.00 from funding sources listed and described below:

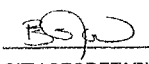
<u>Fund</u>	<u>Unit</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
TBD	TBD	3015	NOFA18SHILO	\$1,208,197.00
TBD	TBD	3015	NOFA18SHILO	\$2,097,568.00
TBD	TBD	3015	NOFA18SHILO	\$ 425,000.00
CD18	801C	3015	NOFA18SHILO	\$ 70,235.00
2U53	NEW	3016	NOFA18SHILO	\$ 98,519.00
3U53	NEW	3016	NOFA18SHILO	\$ 2,351.00
3U53	NEW	3016	NOFA18SHILO	\$ 94,107.00
4U53	W163	3016	NOFA18SHILO	\$ 4,023.00

**SECTION 9.** That the Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue-home loans in Balance Sheet Account 0859 in fund CDBG for the amount of the loan.

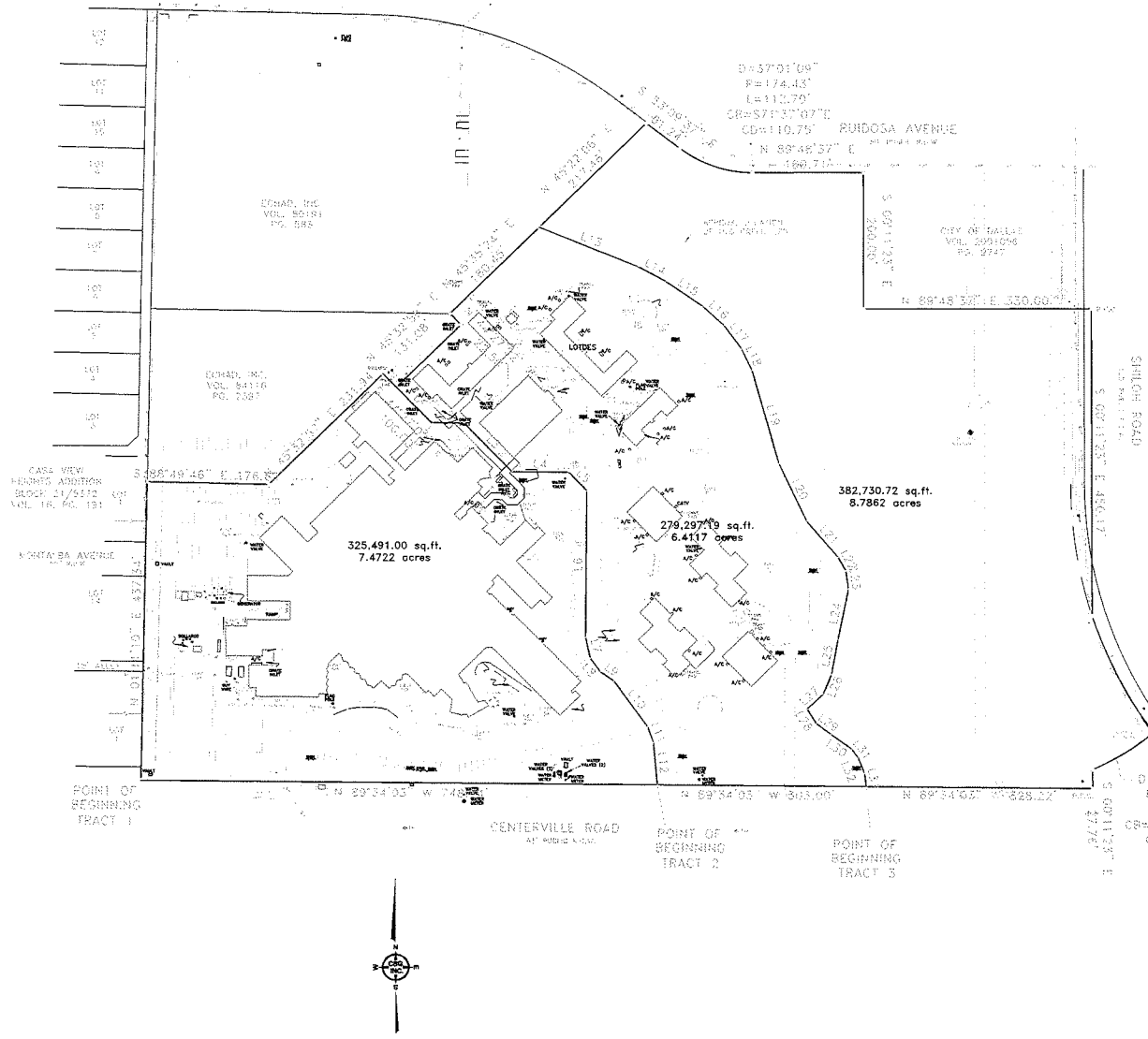
**SECTION 10.** That this resolution does not constitute a binding agreement upon the City or subject to the City to any liability or obligation until such time as the loan and conditional grant documents are duly approved by all parties and executed.

**SECTION 11.** That these contracts are designated as Contract No. HOU-2019-00009595.

**SECTION 12.** That this resolution shall not take effect until April 10, 2019 following final adoption of the CDBG FY 2018-19 Reprogramming Budget No. 1 by the City Council in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved. If City Council does not adopt the CDBG FY 2018-19 Reprogramming Budget No. 1 on April 10, 2019, this Resolution shall be null and void.

<p>APPROVED BY CITY COUNCIL</p> <p>FEB 27 2019</p> <p> CITY SECRETARY</p>
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# Exhibit A



**TRACT I**

LINE TABLE		
LINE	LENGTH	BEARING
L1	72.50	N44°27'02"W
L2	46.69	N89°27'02"W
L3	100.00	S44°31'58"E
L4	82.12	S89°27'02"E
L5	37.63	S44°27'02"E
L6	214.87	S00°26'13"W
L7	31.02	N12°29'12"W
L8	24.30	N56°14'16"W
L9	24.06	N54°55'23"W
L10	82.88	N36°08'03"W
L11	24.70	N20°12'37"W
L12	62.49	S05°03'12"E

**TRACT III**

LINE TABLE		
LINE	LENGTH	BEARING
L13	153.84	N68°16'43"W
L14	45.67	N61°43'14"W
L15	64.85	N55°57'02"W
L16	42.07	N47°55'15"W
L17	42.07	N36°31'57"W
L18	35.24	N25°32'17"W
L19	142.41	N16°01'11"W
L20	93.23	N25°47'10"W
L21	69.39	N40°58'32"W
L22	22.57	N29°28'50"W
L23	27.28	N08°09'03"W
L24	76.27	N11°35'28"E
L25	51.62	N10°23'35"E
L26	31.55	N22°49'34"E
L27	31.55	N47°03'56"E
L28	25.70	N31°49'06"W
L29	25.73	N53°05'58"W
L30	37.48	N54°26'25"W
L31	15.80	N36°06'01"W
L32	24.38	N22°19'12"W
L33	19.64	N07°13'19"W

**TRACT II**

LINE TABLE		
LINE	LENGTH	BEARING
L1	72.50	N44°27'02"W
L2	46.69	N89°27'02"W
L3	100.00	S44°31'58"W
L4	82.12	S89°27'02"W
L5	37.63	S44°27'02"W
L6	214.87	N00°26'13"E
L7	31.02	N12°29'12"W
L8	24.30	N56°14'16"W
L9	24.06	N54°55'23"W
L10	82.88	N36°08'03"W
L11	24.70	N20°12'37"W
L12	62.49	S05°03'12"W
L13	153.84	S68°16'43"E
L14	45.67	S61°43'14"E
L15	64.85	S55°57'02"E
L16	42.07	S47°55'15"E
L17	42.07	S36°31'57"E
L18	35.24	S25°32'17"E
L19	142.41	S16°01'11"E
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L21	69.39	S40°58'32"E
L22	22.57	S29°28'50"E
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L27	31.55	S47°03'56"W
L28	25.70	S31°49'06"E
L29	25.73	S53°05'59"E
L30	37.48	S54°26'25"E
L31	15.80	S36°06'01"E
L32	24.38	S22°19'12"E
L33	19.64	S07°13'19"E



NOTES:  
BEARINGS, EASEMENTS AND BUILDING LINES ARE BY RECORDED PLAT UNLESS OTHERWISE NOTED.

REVISIONS	
DATE	NOTES

**C.B.C. Surveying, Inc.**  
12025 Shiloh Rd. Suite 230  
Dallas, Texas 75228  
P 214-349-9485 F 214-349-2216  
Firm No. 10168800

SCALE: 1"=80'  
DATE: 4/21/2014  
JOB NO.: 1402885  
S.F. NO.: 4479C  
DRAWN: JZ/TC

**3 TRACTS**

CITY OF DALLAS, DALLAS COUNTY  
2305 CENTERVILLE ROAD

190387



**TERM SHEET  
Estates at Shiloh  
February 22, 2019**

**PROPOSED HOUSING DEVELOPMENT LOAN AGREEMENT AND  
CONDITIONAL GRANT AGREEMENT**

This Term Sheet is being issued to outline the City of Dallas' ("**City**") general intent to provide project financing for a development proposal known as Estates at Shiloh. It is based on the City's initial review of the proposal submitted to the City in October 2018.

For proposed housing development loan agreement with the City in an amount not to exceed **\$3,801,000.00** of Community Development Block Grant ("**CDBG**") funds in the form of a subordinate loan and a conditional grant agreement in an amount not to exceed **\$199,000.00** in 2012 General Obligation Bond funds ("**GO Bond**") in the form of a deferred forgivable grant to TX Casa View 2018, Ltd., a Texas limited partnership, for the development of the Estates at Shiloh Street a mixed income residential development located at 2649 Centerville Road in the Casa View reinvestment strategy area. The final terms and conditions of these funding amounts and sources are subject to final underwriting completed by the City and nothing herein should be construed as a final commitment of funds. If necessary by Estates at Shiloh to obtain eligible basis on the Grant funds and to avoid a tax issue, if any, arising from the Grant, City will permit the use of a third-party nonprofit, the selection of such nonprofit shall be subject to approval by the City, to be the recipient of the Grant funds and, in turn, such entity will loan them to Estates at Shiloh.

<b><u>LENDER/GRANTEE</u></b>	City of Dallas (" <b>City</b> ")
<b><u>BORROWER/GRANTOR</u></b>	TX Casa View 2018, Ltd. a Limited Partnership (" <b>TX Casa View</b> ").
<b><u>DEVELOPER</u></b>	Generation Housing Partners, LLC (" <b>GHP</b> ") and Hill Tide Partners, LLC (" <b>Hill Tide</b> ") will serve as Co-Developers.
<b><u>GUARANTOR</u></b>	GHP, Monarch Private Investments, LLC (" <b>Monarch</b> "), and Hill Tide may provide guarantees for the Housing Development Loan and Conditional Grant Agreements provided GHP, Monarch, and Hill Tide can demonstrate there are sufficient assets available to provide the guaranty. All Guarantors must be registered in the State of Texas to execute a guaranty.  <b>Completion Guaranty:</b> GHP, Monarch, and Hill Tide shall provide full, unconditional guarantees of completion and repayment for TX Casa View.  <b>Operating Deficit Guaranty:</b> GHP, Monarch, and Hill Tide guarantees to fund operating deficits by making loans to TX Casa View in accordance with terms as provided by the Project's senior permanent lender and its Limited Partner.
<b><u>USE/PROJECT DESCRIPTION</u></b>	Certain acquisition and rehabilitation costs for the development of Estates at Shiloh, a mixed-income project consisting of approximately <b>264</b> -units of multifamily residential with renovation of <b>40</b> existing townhomes including an existing leasing center, amenities, and surface parking, as shown on the attached <b>Exhibit "A" Site Location</b> (the " <b>Development</b> ").
<b><u>CDBG LOAN AND CONDITIONAL GRANT</u></b>	Amount not to exceed <b>\$3,801,000.00</b> in CDBG funds (the " <b>Loan</b> ") for eligible expenses to be more particularly described in the Housing Development Loan Agreement (the " <b>Loan Agreement</b> ") and the Loan Documents as defined below.



190387

TX Casa View 2018, Ltd.  
 City of Dallas Housing Development Loan and  
 Conditional Grant Agreements  
 Term Sheet

	<p>Amount not to exceed <b>\$199,000.00</b> in GO Bond funds (the "<b>Grant</b>") for eligible expenses more particularly describe in the Conditional Grant Agreement (the "<b>Grant Agreement</b>") and Grant Documents as defined below.</p> <p>The total maximum amount of the City's Loan and Grant is <b>\$4,000,000.00</b>. Final amount of each source and the final terms of each agreement is subject to final underwriting.</p>
<b><u>INTEREST RATE (LOAN)</u></b>	1% simple annual interest
<b><u>TERMS OF HOUSING DEVELOPMENT LOAN AND CONDITIONAL GRANT AGREEMENTS</u></b>	<ul style="list-style-type: none"> <li>i. The term of the Loan Agreement and Grant Agreement is <b>40</b> years beginning from the effective date.</li> <li>ii. The term of the Loan and Grant will be conterminous with the senior lender which is <b>40</b> years beginning on the date of the Loan Documents and ends on the maturity date defined in the Loan and Grant Documents.</li> <li>iii. The Grant Documents securing performance will be released once all terms and conditions of the Grant Agreement and Documents are met.</li> <li>iv. The Loan will be fully repayable, as set forth below.</li> </ul>
<b><u>PAYMENT/REPAYMENT</u></b>	<ul style="list-style-type: none"> <li>i. Principal payments will be deferred until the anticipated deferred developer fee is retired. At such time, TX Casa View shall commence repayment of the City's Loan with accrued interest based on an amortization schedule that is coterminous with the senior lender which is <b>40</b> years.</li> <li>ii. Interest only payments until the deferred developer fee is retired.</li> <li>iii. Equal annual installments of principal and accrued interest, payable from surplus cash, begin <b>30</b> days after repayment of the deferred developer fee as defined in the Loan Agreement. Payments will thereafter be due annually on the anniversary date of the first payment. All unpaid principal and interest will be due on the Final Payment Date, as defined in the Loan Documents.</li> <li>iv. After repayment of the Loan, Deed Restrictions, and Deed of Trust will continue to secure the Borrower's performance of the requirements described in the Loan Agreement and Grant Agreement until termination of the <b>20</b>-year Affordability Period with the exception of the Deed Restriction for the <b>15</b>-year Voucher Period as defined below.</li> <li>v. <b>The Loan may be prepaid, in whole or in part at any time and from time to time, without penalty; provided however, the performance of the Loan requirements will continue throughout the Affordability Period and Voucher Period as defined in the Loan Agreement.</b></li> <li>vi. <b>The remaining balance of the Loan plus interest based on current applicable interest rates is immediately due and payable upon sale, refinancing, or transfer of the Development or upon maturity.</b></li> </ul>
<b><u>COMPLETION DEADLINE</u></b>	The Development must be complete, and units placed in service by <b>December 31, 2021</b> .
<b><u>PENALTY AND DEFAULT PROVISION</u></b>	Borrower shall comply with all the terms and provisions of the Loan Documents. If the Borrower does not comply or if the Borrower defaults under the terms of Loan Documents and does not said defaults during the cure period provided in the Loan Documents,



	<p>interest on the unpaid principal Loan amount will thereafter accrue at a rate of <b>500</b> basis points (<b>5%</b>) over the interest rate in the Promissory Note and be immediately payable in addition to the entire outstanding principal Loan amount.</p>
<p><b><u>COLLATERAL AND LOAN/GRANT DOCUMENTS</u></b></p>	<p>The Loan Agreement, Grant Agreement, Promissory Note for the Loan, Deeds of Trust to secure payment and performance, and Deed Restrictions are collectively the ("<b>Loan Documents</b>" and/or "<b>Grant Documents</b>").</p> <p>Deed Restrictions shall be senior to all other project financing, subject to bond issuer restrictions and HUD Restrictions, if applicable, and will be recorded to secure the <b>20</b>-year Affordability Period for the Affordable Units and <b>15</b>-year Voucher Period for the Voucher Units, as defined below, regardless of any prepayment of the Loan. The Loan and Grant will be subordinate to the construction and/or permanent financing for the Development only.</p> <p>In order to secure payment and performance of the City's Loan and Grant, one or more Deeds of Trust will be filed against the property, including the leasehold and all improvements. The City's lien or liens may only be subordinate to a financial institution's superior lien for a loan in a greater amount. In the event, subordination agreements are required, the City agrees to provide in a form acceptable to the City and agrees not to unreasonably withhold them.</p>
<p><b><u>DRAW PERIOD AND ELIGIBLE EXPENSES</u></b></p>	<p>Borrower will be entitled to make draw requests, on a reimbursable basis, during the Loan and Grant Agreements term. Draws will only be approved for eligible costs in accordance with the following regulations:</p> <ul style="list-style-type: none"> <li>i. <del>For HOME, 24 CFR Part 92.206</del></li> <li>ii. For CDBG, 24 CFR Part 570.201</li> <li>iii. For GO Bond, capitalized costs only, applicable bond propositions, Chapter 380 Texas Local Government Code</li> </ul> <p>Draws will occur as scheduled in the Loan and Grant Agreements. City will disburse funds upon receipt of satisfactory documentation and due diligence review and approval, which approval shall not be unreasonably withheld, delayed or conditioned. The City must be provided with copies of all contractor invoices and provided reasonable notice of monthly draw inspections during the construction period. City staff will participate in all draw reviews whether or not the specific draw is being funded with City funds or other project funds and conduct inspections to ensure that the project is progressing and that work completed is consistent with all applicable Loan and Grant requirements.</p> <p>Acquisition and hard construction costs as specified in the Loan and Grant Agreements and in accordance with U.S. Department of Housing and Urban Development ("<b>HUD</b>") Regulations.</p>
<p><b><u>RESERVES REQUIREMENT</u></b></p>	<p>City requires capitalized operating reserves equal to at least <b>3</b> months of underwritten operating expenses, replacement reserve deposits, and amortizing debt service must be included in the development budget. This amount is not in addition to any operating reserve required by the permanent lender or the equity investor.</p> <p>City requires a lease-up reserve to cover operating deficits following the completion of construction based on lease-up projections and cash flow modeling. This reserve will be the amount, and not in addition to, any lease-up reserve required by the permanent lender or the equity investor.</p> <p>TX Casa View will maintain a replacement reserve, and make contributions on an annual basis equal to the greater of (i) <b>\$250</b> per unit, (ii) the amount required by the equity</p>





	<p>investor, or (iii) the amount required by the permanent lender. Pro-rata annual contributions will commence with construction completion of the first units delivered.</p>
<p><b><u>AFFORDABILITY/ AFFORDABILITY PERIOD</u></b></p>	<p>The Development is to provide at least <b>239</b> of the <b>264</b> units ("<b>Affordable Units</b>") to households earning at or below <b>80%</b> of Area Median Income ("<b>AMI</b>") as defined by HUD or ("<b>Eligible Tenants</b>"). Borrower must recertify household income of Eligible Tenants annually as described in the Loan and Grant Agreements.</p> <p>The Affordable Units must remain affordable to Eligible Tenants for a minimum of <b>20</b> years from the date the project status is changed to "complete" in HUD's IDIS project reporting system ("<b>Affordability Period</b>"). The remaining units will be market rate.</p> <p>In conformance with Dallas City Code, Borrower shall set aside at least <b>10%</b> of the total units, which for this Development is <b>26</b> units ("<b>Voucher Units</b>"), and solely lease those units to holders of housing vouchers ("<b>Voucher Holders</b>"), including vouchers directly or indirectly funded by the federal government. The Voucher Units are included in, and not in addition to, the Affordable Units.</p> <p>The Voucher Units must be set aside to Voucher Holders for a minimum of 15 years from the date of initial leases-up of all Voucher Units to Voucher Holders ("<b>Voucher Period</b>")</p> <p>If the Affordable Units do not remain affordable for the <b>20-year</b> Affordability Period and the and Voucher Units set aside for the <b>15-year</b> Voucher Period, then the CDBG funds must be repaid to City or City will exercise all of its remedies under the Loan Documents and Grant Documents including, but not limited to foreclosure of the Development.</p>
<p><b><u>TENANT SOCIAL SERVICES/SUPPORTIVE SERVICES</u></b></p>	<p>Borrower will provide on-site tenant social services to the Development tenants as defined in the application for the tax credits. A supportive services fee will be assessed in an amount to be approved by the Dallas Housing Finance Corporation, which approval will not be unreasonably conditioned or delayed.</p>
<p><b><u>TENANT REQUIREMENTS AND RENTAL RATES</u></b></p>	<p>Borrower shall rent to Eligible Tenants and Voucher Holders. Additionally, in conformance with Chapter 20A of the City Code, Borrower shall not discriminate against holders of any housing vouchers, including vouchers directly or indirectly funded by the federal government or on the basis of race, religion, or national origin. Borrower shall rent in accordance with affirmative marketing standards and the current HUD Section 8 rental income guidelines.</p> <p><del>Borrower must use the maximum allowable rents, including utility allowance, as set annually by HUD at:</del></p> <p><del><a href="https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_TX_2018.pdf">https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_TX_2018.pdf</a></del></p> <p>Proposed rental rates shall be consistent with Texas Department of Housing and Community Affairs rent limits on rent-restricted units.</p> <p>Rental rates shall be less the utility allowances as required by written policy established by the City's Housing and Neighborhood Revitalization Department.</p> <p>The City shall approve the final rental rates for the Affordable Units and publish in accordance with CDBG regulations.</p>
<p><b><u>TITLE INSURANCE</u></b></p>	<p>Borrower will pay the cost of a lender's title policy insuring the total amount of the Loan and Grant.</p>



<p><b><u>GUARANTEES, PAYMENT AND PERFORMANCE BONDS</u></b></p>	<p>Borrower must provide payment and performance bonds or guarantees, or acceptable equivalent methods of guarantees to the City in the total amount of the construction of the Development as required by the federal regulations and the Comprehensive Housing Policy adopted by City Council by Resolution Number 180704 and 181680, as amended (“CHP”).</p> <p>If Borrower elects to provide a completion guaranty, Borrower shall execute a guaranty in favor of the City.</p> <p>City will accept being an additional obligee on payment and performance bonds furnished by Borrower to its construction lender.</p>				
<p><b><u>CLOSING COSTS</u></b></p>	<p>The Loan and the Grant are to be closed at no cost to City. Borrower shall pay all costs associated with the Loan and Grant Documents including attorney’s fees, filing fees, title company fees and other closing costs.</p>				
<p><b><u>COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS</u></b></p>	<p>If it is determined by the City, HUD or other local, state or federal audit that use of all or any part of the CDBG or GO Bond funds does not meet federal, state or local guidelines, Borrower will reimburse City for the costs determined to be ineligible and/or disallowed under the said audit.</p> <p>Development will meet the property standards in <del>24 CFR Part 92.251</del> and lead-based paint standards in <del>24 CFR Part 92.355</del> and 24 CFR Part 570.608, as well as City building codes and standards.</p> <p>Borrower must comply with Section 504 of the Rehabilitation Act of 1973. Section 504 requires <b>5%</b> of the total dwelling units, or a minimum of <b>1</b> unit, whichever is greater, to be accessible for persons with mobility disabilities (“<b>Mobility Disabled Units</b>”). An additional <b>2%</b> of the total dwelling units must be accessible for persons with hearing or visual disabilities (“<b>Sensory Impaired Units</b>”). The Mobility Disabled Units and Sensory Impaired Units may be comprised of the Affordable Units, Voucher Units, or market rate units. The Section 504 requirements for the Development are as follows:</p> <table border="1" data-bbox="456 1245 1479 1339"> <thead> <tr> <th data-bbox="456 1245 971 1291"><b>Mobility Disabled Unit(s)</b></th> <th data-bbox="971 1245 1479 1291"><b>Sensory Impaired Unit(s)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="456 1291 971 1339">13</td> <td data-bbox="971 1291 1479 1339">5</td> </tr> </tbody> </table> <p>Borrower must comply with displacement and relocation requirements at <del>24 CFR Part 92.353</del>, 24 CFR Part 570.606, and 24 CFR Part 42.</p> <p>Borrower must certify that it is not currently listed on the Federal Excluded Parties List System for Award Management, <a href="http://www.sam.gov">www.sam.gov</a>, (“<b>SAM</b>”). Borrower will comply with 2 CFR Part 200 which forbids the hiring or continuing to employ any contractor, subcontractor or vendor in the construction of the Development that is listed on SAM.</p> <p>Borrower must comply with and will ensure that its contractors comply with Section 3 of 24 CFR 135.38.</p> <p>Borrower must comply with all prescribed procedures regarding nondiscrimination and equal opportunity, affirmative marketing, displacement and relocation, labor relations, and conflict of interest provisions described in <del>24 CFR 92 subpart H</del>, 24 CFR Part 92.504, 24 CFR Part 570 subpart K, 24 CFR Part 570.611, and all other applicable federal, state, and local laws and regulations.</p> <p>If applicable, Borrower must comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a-7) as amended, the provisions of</p>	<b>Mobility Disabled Unit(s)</b>	<b>Sensory Impaired Unit(s)</b>	13	5
<b>Mobility Disabled Unit(s)</b>	<b>Sensory Impaired Unit(s)</b>				
13	5				



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TX Casa View 2018, Ltd.  
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	<p>Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable federal, state and local laws and regulations pertaining to labor standards</p> <p>Borrowers must comply with all applicable federal, state, and local laws and regulations.</p>
<b><u>AUDITS/INSPECTIONS</u></b>	<p>City will conduct annual audits during the Affordability Period to ensure Affordability requirements. City will inspect Affordable Units every <b>2</b> years unless the City deems it necessary to inspect more frequently. Borrower shall allow City, HUD, State of Texas, the Comptroller General of the United States ("<b>GAO</b>"), and all other pertinent federal or state agencies or their designated representative the right to inspect records and property. Borrowers will maintain records according to the recordkeeping requirements outlined below.</p>
<b><u>INSURANCE REQUIREMENTS</u></b>	<p>Borrower must maintain insurance and provide coverages the City's Risk Management Department requires after it completes review of the full Development scope. If applicable insurance policies and required coverages are provided and the City's Risk Management Department approves, Borrower can, as applicable, name the City as an additional insured or loss payee on the insurance policies required by the equity investor and the permanent lender.</p>
<b><u>RECORDKEEPING</u></b>	<p>Borrower must maintain records that will provide accurate, current, separate, and complete disclosure of the status of the funds received from the Loan and Grant pursuant to any other applicable federal, state, and/or local regulations establishing standards for financial management.</p> <p>At any reasonable time and as often as City may deem necessary, Borrower will make available to City all of its respective records that are applicable and will permit City to conduct audits of all contracts, invoices, materials, payrolls, records of personnel, conditions or employment, annual Eligible Tenant income verification, and all other data relating to the stated Use/Project Description.</p> <p>Borrower will provide monthly financial and beneficiary reports that will contain such records, data and information as City may request pertinent to matters covered by the Loan and Grant. Reports will be due to the Housing and Neighborhood Revitalization Department within <b>45</b> days of the end of the quarter. Borrower will provide any additional information as requested by the City within <b>10</b> days of date of request.</p> <p>At the City's option, Borrower may be required to obtain and submit an audit of project costs (i.e. cost certification) prepared by an independent Certified Public Account.</p>
<b><u>CONDITIONS TO LOAN AND GRANT FUNDING</u></b>	<p>This Term Sheet does not constitute a commitment of funds or site approval, and any commitment of funds or approval of the Loan or Grant may occur only upon satisfactory completion of the following items:</p> <ul style="list-style-type: none"> <li>i. An environmental review conducted by City and completion of an Environmental Review Record and receipt by the City of an Authorization to use Grant Funds from HUD under 24 CFR Part 58. The environmental review may result in a decision by City to proceed with, modify or cancel the City's participation in the Development. If the Development is modified by Borrowers after receiving environmental approval, all work on the Development must stop until receiving authorization to proceed from City. Modifications to the Development that would require further environmental review include but are not limited to changes in location, elevations, site plans, or any other aspect of the project scope originally submitted for environmental approval.</li> </ul>



	<ul style="list-style-type: none"> <li>ii. <b>Borrower is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the completion of environmental review and receipt of the Authorization to Use Grant Funds from HUD. Violation of this provision will result in the denial of HOME and CDBG funds. A Notice to Proceed from the City to Borrower will be issued when environmental clearance has been received. Any change in any aspect of the Development that was originally submitted for environmental review will result in the City determining in its sole discretion whether to make the HOME or CDBG Loan for the Development.</b></li> <li><del>iii. HUD Approval of Site and Neighborhood Standards per 24 CFR Parts 92.202 and 983.6(b). Borrowers must provide any relevant information required by HUD if a Neighborhood and Site Standards Study is required by HUD.</del></li> <li><del>iv. City determination that the Development is not over-subsidized with HOME funds as required by 24 CFR Part 92.250(b).</del></li> <li>v. City determination that the costs are reasonable as required by 2 CFR 200 subpart E.</li> <li>vi. Borrower must agree to all conditions to City Loan and Grant as required for Developer Programs under the CHP.</li> <li>vii. Submission of equity, construction and permanent financing documents for the Development in a form satisfactory to City.</li> <li>viii. Closing on equity and all other financing for the Development.</li> </ul>
<p><b><u>OTHER REQUIREMENTS</u></b></p>	<ul style="list-style-type: none"> <li>i. Construction must begin within 1 month of closing on all financing.</li> <li>ii. Borrower will be liable for and will promptly pay all fees it incurs, including expenses and charges incurred in connection with the negotiation and preparation of the documents governing or securing the Loan and Grant, and other expenses incurred in connection with the Development including appraisal and Texas Commission on Environmental Quality environmental fees, whether or not the Loan or Grant close.</li> <li>iii. Documentation must be acceptable in all respects to the City.</li> <li>iv. Credit Reports on Adrian Iglesias, Chris Applequist and others as to be determined.</li> <li>v. Borrower agrees to provide all items as required for loan closing as outlined under Developer Programs the CHP.</li> <li>vi. All construction contracts, plans, specifications, surveys, etc. must be acceptable to City and assigned as additional collateral. Approval is subject to review of plans, specifications and cost estimates.</li> <li>vii. Borrowers must agree to any reasonable terms and conditions in the Loan Documents and Grant Documents that are necessary to ensure that City and Borrowers remain in compliance with all federal, state and local laws, regulations and ordinances regarding or applicable to the Development.</li> </ul>

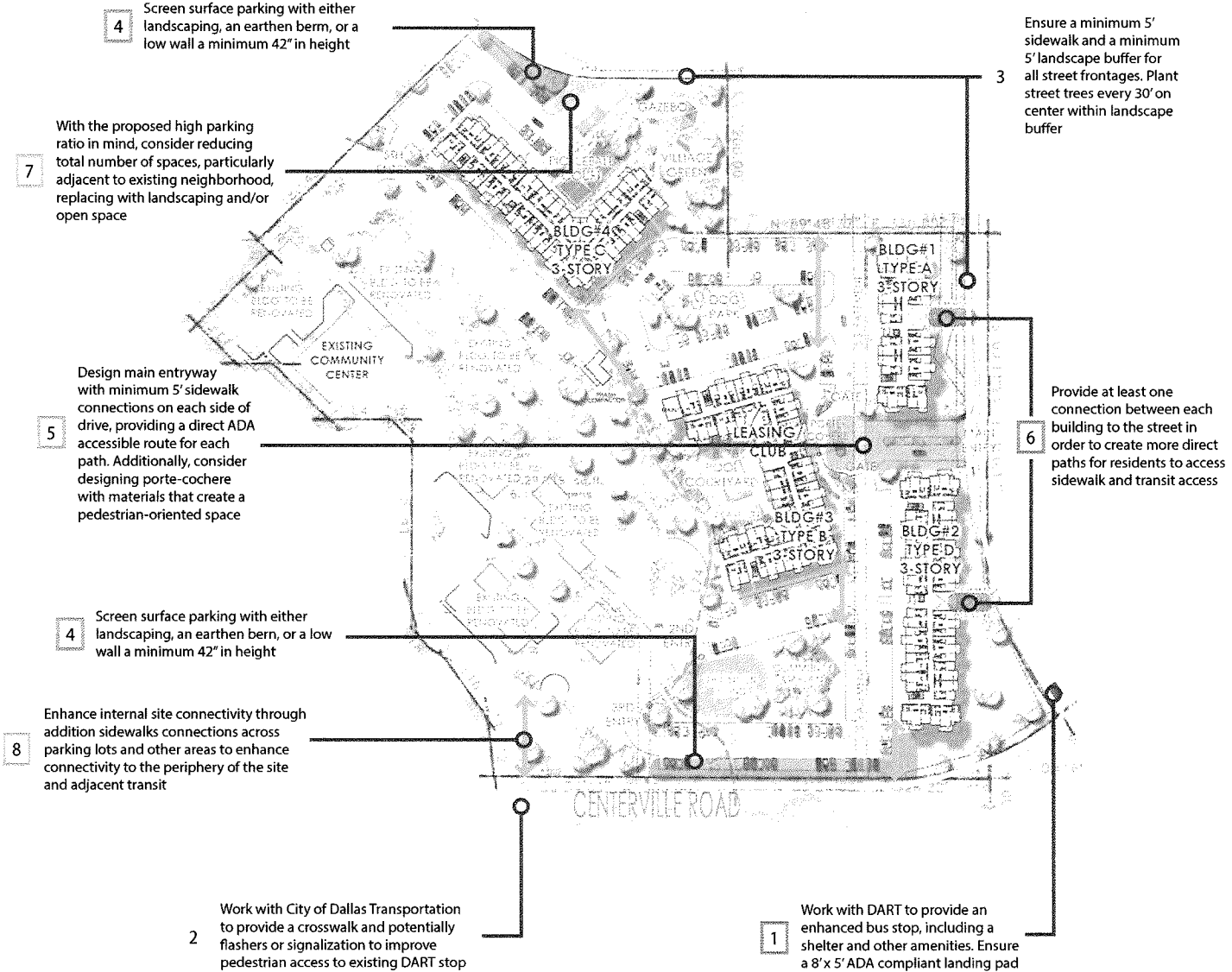


- viii. Funds expended prior to the date of the resolution of City Council approving the Loans and Grant are not eligible for reimbursement from CDBG Funds or GO Bond funds.
- ix. **Local Hiring.** Borrower shall use and document best efforts to recruit and hire City of Dallas residents for any jobs created by the Development. Best efforts shall include a written plan to advertise locally and to participate in local job fairs/recruitment events. The plan shall be prepared, coordinated with, and approved by the Director of Housing and Neighborhood Revitalization to ensure broad publication to Dallas residents from all areas of the City of the employment opportunities available with the construction and operation of the Development.
- x. **M/WBE.** Borrower shall make a good faith effort to comply with the City's Business Inclusion and Development ("BID") goal of **25%** participation by certified Minority/Women-owned Business Enterprises ("**M/WBE**") for all hard construction expenditures of the Development (i.e. public and private improvements) and meet all reporting requirements of the City of Dallas Office of Business Diversity.
- xi. **Urban Design.** Urban Design Review by the City's Planning and Urban Design Department (PUD) is required for all projects requesting City funding assistance. Urban Design Review of the Development by the PUD was conducted in early February 2019. Following review, the PUD provided comments for the Development on February 12, 2019, **Exhibit "B"**. The comments must be addressed by the Developer to the satisfaction of the Director of the PUD prior to commencement of construction.

Prior to construction permit submittal to the City's Sustainable Development and Construction Department, the Developer shall submit a set of permit drawings to the PUD for a staff review to ensure that the Development (i.e. public and private improvements) will be constructed in substantial conformance with the spirit and intent of the PUD comments. Allowable minor modifications may include those required for compliance with development regulations administered by the City's Sustainable Development and Construction Department. The PUD shall complete the staff review of permit drawings within **10** business days of submission.

**Any funds disbursed will be subject to the City's receipt of satisfactory documentation and due diligence review and approval. This Term Sheet is confidential and is intended solely for the use of the Borrower. No other person or parties have any rights whatsoever with respect to the above terms and conditions. These terms can be modified or other terms negotiated between the parties only upon mutual agreement. All terms are subject to final underwriting review by the City's Economic Development and Housing Committee, and subsequent approval by City Council.**

# Exhibit B



## Design Considerations

1. Work with DART to provide an enhanced bus stop, including a shelter and other amenities. Ensure a 8' x 5' ADA compliant landing pad.
2. Work with City of Dallas Transportation to provide a crosswalk and potentially flashers or signalization to improve pedestrian access to existing DART stop.
3. Ensure a minimum 5' sidewalk and a minimum 5' landscape buffer for all street frontages. Plant street trees every 30' on center within landscape buffer.
4. Screen surface parking with either landscaping, an earthen berm, or a low wall a minimum 42" in height.
5. Design main entryway with minimum 5' sidewalk connections on each side of drive, providing a direct ADA accessible route for each path. Additionally, consider designing porte-cochere with materials that create a pedestrian-oriented space.
6. Provide at least one connection between each building to the street in order to create more direct paths for residents to access sidewalk and transit access.
7. With the proposed high parking ratio in mind, consider reducing total number of spaces, particularly adjacent to existing neighborhood, replacing with landscaping and/or open space.
8. Enhance internal site connectivity through addition sidewalks connections across parking lots and other areas to enhance connectivity to the periphery of the site and adjacent transit.

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