WHEREAS, on May 9, 2018, City Council authorized the adoption of the Comprehensive Housing Policy ("CHP") by Resolution No. 18-0704; and

WHEREAS, after the adoption of the CHP City Council authorized multiple amendments to the CHP in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1680 on November 28, 2018, by Resolution No. 19-0884 on June 12, 2019, by Resolution No. 19-1041 on June 26, 2019, by Resolution No. 19-1498 on September 25, 2019, by Resolution No. 19-1864 on December 11, 2019, and by Resolution No. 21-1450 on September 9, 2021; and

WHEREAS, on August 7, 2020, the City issued a Notice of Funding Availability, as amended, in accordance with the CHP; and

WHEREAS, on December 1, 2021, Builders of Hope CDC submitted an application for gap financing and received a fundable score (94); and passed a third-party underwriting; and

WHEREAS, on May 23, 2022, the Housing and Homelessness Committee was briefed regarding this item; and

WHEREAS, to assist in the affordable housing production goals established in the CHP, the City desires to enter into a development loan agreement with Builders of Hope CDC and/or its affiliates ("Developer") in an amount not to exceed $611,227.47 in HOME funding, and a development loan agreement in an amount not to exceed $1,295,191.53 in Neighborhood Stabilization Program (NSP) funding for a total of $1,906,419.00 for the development of Trinity West Villas; and

WHEREAS, the Developer has proposed the development of a 36-unit multifamily complex known as Trinity West Villas located in the Singleton/Trinity West community at Singleton Boulevard and Pointer Street ("Development"); and

WHEREAS, the Developer proposes to develop new construction of 36 units, including 12 1-bedroom, 12 2-bedroom, and 12 3-bedroom units ranging from 550-975 square feet; and

WHEREAS, upon completion of the Development, at least three of the 36 units will be made available to households earning at or below 50.00% of Area Median Income (AMI) to satisfy Low HOME and Low NSP requirements, six of the 36 units will be made available to households earning between 50.00% - 65.00% of Area Median Income (AMI) to satisfy High HOME requirements, and the remaining 27 units will be reserved for residents earning up to 120.00% of Area Median Income (AMI). The affordable units will be deed restricted for a period of 20 years.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to execute the following agreements with Builders of Hope CDC and/or its affiliates, approved as to form by the City Attorney, for the acquisition and development of a 36-unit mixed-income affordable multifamily complex to be known as Trinity West Villas, located at Singleton Boulevard and Pointer Street: a HOME development loan agreement in an amount not to exceed $611,227.47 (Loan Agreement); and a Neighborhood Stabilization Program (NSP) development loan agreement in an amount not to exceed $1,295,191.53 (Loan Agreement), (collectively, "Agreements"), and 1) any financing and associated documents related to the Agreements, 2) subordinations to the senior lender, and 3) release of liens and termination of deed restrictions on the property upon satisfaction of all applicable conditions.

SECTION 2. The terms of the Agreements shall include but are not limited to the following:

1. HOME funds will be used for hard and soft constructions costs, as allowed by federal regulations governing the use of the HOME funds and the CHP. NSP funds will be used for acquisition costs and other allowable development costs, in accordance with the CHP and regulations. All funds will be provided on a reimbursable basis;

2. The term of the Loan Agreement(s) is 35 years beginning from the effective date;

3. Loan amortization is 35 years, with an interest rate of 0.00% simple annual interest;

4. The term of the loan in the Loan Agreement(s) shall be 35 years and ends on the maturity date. The maturity date and the repayment schedule shall be defined/detailed in the Loan Agreement(s) and other financing documents for the loan, in accordance with the CHP;

5. Developer shall complete construction of the 36 units within two years of the effective date, which may be extended by the Director for up to two years (unless prohibited by the applicable regulations);

SECTION 2. (continued)

6. Developer must provide a total of 36 units. Of the 36 units, at least three of the 36 units will be made available to households earning at or below 50.00% of Area Median Income (AMI) to satisfy Low HOME and Low NSP requirements, six of the 36 units will be made available to households earning between 50.00% - 65.00% of Area Median Income (AMI) to satisfy High HOME requirements, and the remaining 27 units will be reserved for residents earning up to 120.00% of Area Median Income (AMI). The affordable units will be deed restricted for a period of 20 years;

7. The units in the Development shall each have from 550 to 975 square feet of rentable living space. The unit mix will include 12 1-bedroom apartments, 12 2-bedroom apartments, and 12 3-bedroom apartments. The requirements of this subsection may be modified by the Director;

8. All project costs must be reasonable and customary and conform with the CHP, and any other applicable regulations;

9. Developer shall adhere to the requirements of the CHP, including but not limited to the New Construction and Substantial Rehabilitation Program and the Appendix 1 – Single Family Development Underwriting (including but not limited to Ongoing Project Requirements, Reporting and Record Keeping, and Structure of Transaction), authorized by Resolution No. 19-1498;

10. Developer must execute a promissory note for the total each loan amount;

11. The City's lien for the Agreements may be subordinate to a financial institution's lien, subject to the requirements of the CHP. In the event subordination agreements are required, the City agrees to provide the subordination document in a form acceptable to the City;

12. Developer shall execute and record deed restrictions on the property. The deed restrictions may be recorded senior to other financing documents such that the HOME covenant is not extinguished in the case of foreclosure by a senior lender and shall be recorded to secure the 20-year affordability period for the affordable HOME units, which shall also include a 15-year voucher period for the voucher units, which are subject to the requirements or amended requirements of Chapter 20A of the Dallas City Code and the CHP;

13. Developer shall execute and record a deed of trust on the property, including the leasehold and all improvements to secure payment and performance which will be released once all terms and conditions of the Loan Agreements a are met. Developer shall execute one deed of trust for the total loan amounts.

SECTION 2. (continued)

14. The City shall maintain a first or second lien position. The lien will run concurrently with the lien associated with the loan, and will be released upon satisfaction of the obligations detailed therein, and within the Agreements (subject to the City's review and approval). The City's liens associated with loan agreements may be subordinate to a financial institution's, subject to the requirements of the CHP. If subordination agreements are required, the City agrees to provide the subordination documents in a form acceptable to the City;

15. Developer 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;

16. The Loan Agreements shall be nonrecourse and the City's remedies are limited to foreclosure only, in the event of an uncured default;

17. A default under the HOME Loan Agreement shall constitute a default under the NSP Loan Agreement, and vice versa;

18. Although the term, the maturity date, and the amortization are anticipated to be for a period of 35 years, the Director may adjust the terms so that it is coterminous with the term of the lender;

19. Repayment of loan principal and interest should be an annual surplus cash payment. The City's surplus cash loans funding will be structured with note provisions requiring that at least 50.00% of eligible cash, as defined in the CHP, in excess of $50,000.00 be paid annually to subordinate lenders (including funding partners and related parties) on a prorated basis.

The HOME/ NSP agreements are conditioned upon:

1. Approval of construction and permanent financing documentation in a form acceptable to the City;

2. The United States Department of Housing and Urban Development federal requirements including environmental review, site and neighborhood standards, cost reasonableness, subsidy layering, and underwriting;

3. Developer shall make a good faith effort to comply with the City's Business inclusion and Development goal of 32 percent participation by certified Minority/ Women-owned Business Enterprises 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 Economic Development Business Workforce and Inclusion Division;

SECTION 2. (continued)

4. All conditions listed in the CHP for developer programs;

5. Final underwriting; and

6. Closing on all other financing for the Development.

SECTION 3. That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Builders of Hope CDC (337558) Encumbrance/Contract No. HOU-2022-00019252 as the City receives and reviews reimbursement requests and related supporting documentation submitted by Developer, for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed $1,906,419.00 from funding sources listed below:

Fund	Department	Unit	Object	Amount
HM21	HOU	520F	3015	$611,227.47
NS08	HOU	412A	3015	$465,212.86
NS10	HOU	478C	3015	$829,978.67

SECTION 4. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to this transaction, until such a time as the loan documents are duly approved by all parties and executed.

SECTION 5. That the City Controller is hereby authorized to record notes receivable - developers loan in balance sheet account 033F and deferred revenue-home loans in 0859 in NSP fund NS08 and NS10 for the amount of the loan, and in HOME fund HM21 for the amount of the loan.

SECTION 6. That these contracts are designated as Contract Number HOU-2022-00019252.

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.