

April 23, 2025

**WHEREAS**, on May 9, 2018, the City Council authorized the adoption of the Comprehensive Housing Policy (CHP) by Resolution No. 18-0704, which was subsequently amended, most recently on June 12, 2024, by Resolution No. 24-0846; and

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

**WHEREAS**, on April 12, 2023, the City Council adopted the Dallas Housing Policy 2033 (DHP33) to replace the CHP by Resolution No. 23-0443 and the Dallas Housing Resource Catalog (DHRC) to include the approved programs from the CHP by Resolution No. 23-0444; and

~~**WHEREAS**, the Department of Housing and Community Development continues operating its programs, previously authorized and adopted under the CHP, as restated in the DHRC; and~~

~~**WHEREAS**, on February 28, 2024, the City Council authorized the transfer and reallocation of American Rescue Plan Act (ARPA) Funds from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Fund to the ARPA Redevelopment multi-year fund to provide assistance with completing projects by Resolution No. 24-0315; and~~

**WHEREAS**, on September 25, 2024, Sycamore Strategies, LLC (Applicant) submitted an application for gap financing and received a fundable NOFA score (110) for its proposed development, Braniff Lofts (Project); and

**WHEREAS**, the Applicant or its affiliate (collectively referred to as Applicant) has proposed the acquisition and development of a 48-unit permanent supportive housing development for persons experiencing homelessness and/or special needs living with or impacted by AIDS/HIV known as Braniff Lofts located at 2801 Wycliff Avenue in the City of Dallas, Texas 75219 (Project) including 12 studios and 36 one-bedroom units; and

**WHEREAS**, the Applicant will provide modern security features to include a camera system and controlled access, a community watch program, and participation in National Night Out in accordance with the NOFA criteria and the Office of Emergency Management and Crisis Response recommendations to ensure a safe living environment for all residents and staff; and

**WHEREAS**, on February 14, 2024, by Resolution No. 24-0256, the City Council approved a Resolution of Support for 2024 9% Competitive Low Income Housing Tax Credits (HTC) for the development of the Project; and

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**WHEREAS**, on December 20, 2024, the Applicant filed an Application for a 2024 Carryforward Designation Certificate with the Texas Bond Review Board for the issuance of bonds by Texas Department of Housing and Community Affairs (TDHCA) to pay costs related to the Project, and on January 8, 2025, the Applicant was awarded 4% HTC from TDHCA instead of 9% HTC in the form of a carryforward commitment (Docket Number 24CF-017); and

**WHEREAS**, as a requirement of the Applicant's Application to the TDHCA for a 2024 Carryforward Designation Certificate for 4% HTC the Applicant will provide 48 of the 48 units available to households earning 0.00%-60.00% of Area Median Income (AMI) for a minimum of 20 years; and

**WHEREAS**, to assist in the affordable housing production goals established in the CHP, as restated in the DHP33 and the DHRC, the City desires to enter into a forgivable development loan agreement with Braniff Lofts LP, an affiliate of Sycamore Strategies, LLC in an amount not to exceed \$7,000,000.00 ARPA Redevelopment Funds, which are City general funds, for the development of Braniff Lofts.

**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 a forgivable development loan agreement with Braniff Lofts LP, an affiliate of Sycamore Strategies, LLC (together, the Applicant) and joined by PWA Coalition of Dallas, Inc., a Texas nonprofit corporation, dba AIDS Services of Dallas ("ASD"), in the event ASD owns the improvements, approved as to form by the City Attorney, in an amount not to exceed \$7,000,000.00 to develop Braniff Lofts, a 48-unit permanent supportive housing complex located at 2801 Wycliff Avenue, Dallas, Texas 75219 (Project), subject to the requirements below.

**SECTION 2.** That the City Manager is hereby authorized to execute a forgivable development loan with Applicant, approved as to form by the City Attorney, described herein including any financing and associated documents related to the loan agreement, subordinations to financial institution lien(s), subject to the requirements of the DHP33 and the DHRC, 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 of the Department of Housing and Community Development (Director) may extend deadlines by up to two years.

**SECTION 3.** That pursuant to the forgivable development loan agreement, the Applicant must:

- A. Provide all 48 of the units in the Project to households earning 0.00%-60.00% of Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD). These units must remain affordable for a minimum of 20 years. The HTC affordable units may satisfy

**SECTION 3.** (continued)

the City's affordability requirements and vice versa. The Director may authorize minor changes to the affordability unit mix so long as the revised unit mix adheres to applicable funding source requirements, the DHP33, and the DHRC, and the Project maintains a fundable Notice of Funding Availability score.

- B. Comply with Chapter 20A of the Dallas City Code, as amended, regarding the non-discriminatory treatment of housing voucher holders and set aside at least 10% of the total number of units, rounded up to the nearest whole number, and solely lease those units to holders of housing vouchers. The voucher units must be set aside for voucher holders for a minimum of 15 years from the date of initial lease-up of all voucher units to voucher holders. These affordable voucher units must be dispersed throughout the residential floor area and shall have identical finish-out and materials.

**SECTION 4.** That ARPA Redevelopment funds (name of fund denotes accounting designation, but does not include federal funds) will be used for acquisition, reuse and/or rehabilitation of improvements, including ~~and~~ vertical construction costs such as framing, roofing, carpentry, and other eligible costs, in accordance with applicable funding source requirements, the DHP33, and the DHRC. All funds will be provided on a reimbursable basis.

The development loan to the Applicant is forgivable and is subject to the following terms:

- A. The term of the forgivable loan agreement is 20 years beginning from the effective date;
- B. The term of the forgivable Loan will be coterminous with the term of the loan from the senior lender which is estimated to be 20 years beginning on the date of the Forgivable Loan Agreement and ending on the maturity date defined in the Forgivable Loan Agreement and other financing documents for the loan, in accordance with the DHP33 and the DHRC. The City may adjust the term of the Forgivable Loan to be coterminous with the term of the loan from senior lender.
- C. The Loan will be forgivable, as set forth below.
  - 1. The Forgivable Loan funds paid pursuant to the Forgivable Loan Agreement are secured by a promissory note and shall be repaid to the City in the event of Default. No principal and/or interest payments on the promissory note shall be due and payable to the City, however, unless there is either an uncured event of a Default or Developer refinances the Loan during the 20-year Affordability Period. If Developer complies with all obligations contained in the Forgivable Loan Agreement, the principal amount of the promissory note will be forgiven in 1/20 increments (i.e., \$350,000.00) beginning on the first anniversary following the date the Project is complete and first affordable unit is leased and in accordance with the Forgivable Loan Documents and the property management

**SECTION 4. (continued)**

services agreement, as verified by the Director.

2. During the term of the Forgivable Loan, Deed Restrictions and a Deed of Trust will continue to secure the Developer's performance of the requirements described in the Forgivable Loan Documents until termination of the 20-year Affordability Period with the exception of the 15-year Voucher Period as defined below in Section 3.B of this Resolution.
- D. Applicant shall complete construction of the 48 units within two years of the effective date of the loan agreement, which may be extended by the Director for up to two years (unless prohibited by the applicable funding source requirements, the DHP33, and/or the DHRC);
- E. The unit mix will include 12 studios, and 36 one-bedroom units to serve targeted population including individuals experiencing homelessness and/or special needs. ~~Eighteen of the 48 units will be dedicated and prioritized for persons experiencing homelessness.~~ The requirements of this subsection may be modified by the Director were permitted by the applicable funding source requirements;
- F. Loan amortization is 20 years, with an interest rate of one percent simple annual interest;
- G. Applicant must execute a promissory note(s) for the total loan amount;
- H. The owner of the property shall execute and record deed restrictions on the property. The promissory note and deed restrictions may be subordinate to deed restrictions issued by TDHCA, HUD and/or to other financing (without waiving compliance with such deed restrictions), and shall be recorded to secure the 20-year affordability period for the affordable units and the 15-year voucher period for the requirement to make best efforts to lease up to 10 percent of the units to holders of housing vouchers pursuant to Chapter 20A of the Dallas City Code and the DHP33 and DHRC;
- I. The owner of the property, 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 forgivable development loan agreement are met;
- J. The position of City's lien or liens can be no less than a second except upon the Director's prior written approval. In no instance shall the City's lien or liens be in less than third position. In the event, subordination agreements are required, the form of subordination agreement shall be in the form of the City's Intercreditor Agreement unless the City, at its sole discretion, agrees to an alternative form acceptable to the City based on negotiation with other lenders on the project.
- K. Applicant shall provide guarantees including a completion and operating deficit guaranty for the loan agreement;
- L. Applicant must provide payment and performance bonds or guarantees, or

**SECTION 4.** (continued)

- acceptable equivalent methods of guarantees to the City in the total amount of the construction of the Project;
- M. The development loan shall be a nonrecourse loan and the City's remedy is limited to foreclosure only, in the event of an uncured default; and
  - N. Although the term, the maturity date, and the amortization are anticipated to be for a period of 20 years, the Director may adjust the period of years, subject to the applicable funding source requirements, DHP33 and DHRC, so that it is of such length as required by the senior lender but not longer than 12 months after the term of the senior loan.

**SECTION 5.** That the forgivable development loan agreement is conditioned upon:

- A. Project receiving third-party underwriting; and
- B. Approval of equity, construction, and permanent financing documentation in a form acceptable to the City; and
- C. Compliance with all applicable funding source requirements including an environmental review conducted by the City, cost reasonableness, subsidy layering, and underwriting; and
- D. Applicant 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 Procurement Services; and
- E. All conditions listed in the DHP33 and the DHRC for applicable developer programs; and
- F. Final underwriting; and
- G. Closing on equity and all other financing for the development.

**SECTION 6.** That the City Manager is authorized to obligate the Applicant to make payment for the City's outside counsel legal fees for the drafting and negotiation of the loan agreement and any related financing, subordination and associated documents for the Project, approved as to form by the City Attorney (the Loan Documents), directly to the City's outside legal counsel on the date that all of the financing for construction of the Project and execution of the Loan Documents, as approved by the City, the Applicant's other lenders and all necessary parties, (the Closing) takes place. In the event that the Closing does not occur, then Applicant shall be obligated to pay the City an amount equal to the City's outside legal fees incurred by the City to draft and negotiate the Loan Documents within thirty days of the date on which the Closing was to occur.

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**SECTION 7.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$7,000,000.00 to Braniff Lofts, LP or its affiliate from Fund 0A72, Department HOU, Unit ~~AR47~~ AR94, Object 3099, Encumbrance/Contract No. HOU-2025-00027297, Vendor VC22772 as the City receives and reviews reimbursement requests and related supporting documentation submitted by Braniff Lofts for eligible expenditures and accepts supporting evidence as defined in the agreements.

**SECTION 8.** That the Chief Financial Officer is hereby authorized to record notes receivable - developers loan in Balance Sheet Account 033F and deferred revenue in Balance Sheet Account 050A for the amount of the loan in Section 7.

**SECTION 9.** That the Chief Financial Officer is hereby authorized upon receipt of payment on the notes receivable to record principal payment revenue in ~~ARPA-SLFRE Developer Repayment~~ ARPA Redevelopment Fund, Fund ~~ADDR~~ 0A72, Department ~~HOU~~ BMS, Unit ~~ADR2~~ ARD1, Revenue Code 8520 and interest payment revenue in Fund ~~ADDR~~ 0A72, Department ~~HOU~~ BMS, Unit ~~ADR2~~ ARD1, Revenue Code 8521.

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

**SECTION 11.** That this contract is designated as Contract No. HOU-2025-00027297.

**SECTION 12.** 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.