

September 28, 2022

WHEREAS, the City of Dallas (“City”) recognizes the importance of its role in local economic development and the provision of affordable housing; and

WHEREAS, on December 10, 2008, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Eighteen (“Maple/Mockingbird TIF District” or “TIF District”) by Ordinance No. 27435, as amended; and

WHEREAS, on September 23, 2009, City Council authorized the Project Plan and Reinvestment Zone Financing Plan (“TIF District Plan”) for the TIF District by Ordinance No. 27690, as amended; and

WHEREAS, on February 22, 2021, the Housing and Homelessness Solutions Committee was briefed regarding the proposed senior multi-family affordable housing project called Oaklawn Place (“Project”); and

WHEREAS, on February 24, 2021, City Council authorized a Resolution of Support for Sadler Circle Senior Apartments LLC, or its affiliate (“Developer”), related to its application to the Texas Department of Housing and Community Affairs (“TDHCA”) for 9% Low Income Housing Tax Credits (“LIHTC”) for the Project by Resolution No. 21-0374; and

WHEREAS, on September 16, 2021, the Developer received formal notice from the TDHCA that the Project was awarded 9% LIHTC; and

WHEREAS, on October 19, 2021, the Maple/Mockingbird TIF District Board of Directors reviewed the Project and recommended City Council authorization of a development agreement and TIF Subsidy in an amount not to exceed \$4,438,154.00; and

WHEREAS, on October 25, 2021, the Project and recommended development agreement/TIF Subsidy was reviewed by the Housing and Homelessness Solutions Committee; and

WHEREAS, on October 27, 2021, City Council authorized a development agreement and all other necessary documents with Sadler Circle Senior Apartments LLC and/or its affiliates, in an amount not to exceed \$4,438,154.00, by Resolution No. 21-1776; and

WHEREAS, on July 12, 2022, the Developer submitted a request to staff for amendments to the previously authorized development agreement and TIF Subsidy, including an increase to the TIF Subsidy needed to make the Project financially feasible; and

WHEREAS, on August 31, 2022, the Maple/Mockingbird TIF District Board of Directors reviewed and unanimously recommended City Council approval of the proposed amendments; and

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WHEREAS, on September 6, 2022, the Economic Development Committee was briefed by memorandum regarding this matter; and

WHEREAS, to further implement the TIF District Plan for the TIF District, the City desires to amend the previously authorized development agreement with Sadler Circle Senior Apartments LLC and/or its affiliates by increasing the total TIF Subsidy by \$975,852.00 from an amount not to exceed \$4,438,154.00 to an amount not to exceed \$5,414,006, payable from current and future TIF District Funds, in consideration of the Oaklawn Place Project on property currently addressed at 5717-5725 Sadler Circle, Dallas, Texas 75235.

WHEREAS, the expenditure of TIF District funds to support this development agreement is (1) consistent with: (a) promoting development and redevelopment of the TIF District in accordance with the purposes for its creation and (b) the ordinance adopted by the City Council approving the TIF District Plan, as amended, and (2) for the purpose of creating new affordable housing units within the TIF District, including for senior housing or tax credit financed units as described in the TIF District Plan, as amended.

Now, Therefore,

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

SECTION 1. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 2. That the City Manager is hereby authorized to amend Section 1, Section 3, Section 6.A, Section 6.F, Section 6.G, and Section 6.I of Resolution No. 21-1776, approved as to form by the City Attorney, as follows:

SECTION 1. That the City Manager is hereby authorized to execute a development agreement, and all other necessary documents with ~~Sadler Circle Apartments LLC~~ Resource Center of Dallas, Inc. ("Developer") and/or its affiliates in an amount not to exceed ~~\$4,438,154.00~~ \$5,414,006.00 upon completion of the Project and Developer's satisfaction of all terms and conditions in such development agreement, payable from current and future Maple/Mockingbird TIF District Funds, in consideration of the development of the Oaklawn Place project ("Project") on property currently addressed at 5717-5725 Sadler Circle, Dallas, Texas 75235 in Tax Increment Financing Reinvestment Zone Number Eighteen ("Maple/Mockingbird TIF District"), approved as to form by the City Attorney, thereby confirming the Maple/Mockingbird TIF District Board of Director's dedication of current and future tax increment revenues, in an amount not to exceed ~~\$4,438,154.00~~ \$5,414,006.00 as shown in Exhibit A.

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SECTION 2. (continued)

SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds in an estimated total amount of ~~\$4,438,154.00~~ \$5,414,006.00 to ~~Sadler Circle Apartments LLC~~ Resource Center of Dallas, Inc. and/or its affiliates from the Maple/Mockingbird TIF District Fund (subject to annual appropriations from tax increments), as follows:

Maple/Mockingbird TIF District Fund
Fund 0064, Department ECO, Unit W804
Activity MMTD, Object 3072, Program MMTIF00004
Encumbrance/Contract No. CX ECO-2022-00017808
Vendor 268631 \$293,241.00 ~~\$240,545.00~~

Maple/Mockingbird TIF District Fund
Fund 0064, Department ECO, Unit W804
Activity MMTD, Object 4599, Program MMTIF00004
Encumbrance/Contract No. CX ECO-2022-00017808
Vendor 268631 \$1,028,948.00 ~~\$843,536.00~~

Maple/Mockingbird TIF District Fund
Fund 0064, Department ECO, Unit W804
Activity MMTD, Object 3016, Program MMTIF00004
Encumbrance/Contract No. CX ECO-2022-00017808
Vendor 268631 \$4,091,817.00 ~~\$3,354,073.00~~

Total amount not to exceed \$5,414,006.00 ~~\$4,438,154.00~~

SECTION 6. That in addition to the conditions set out in the sections above, the development agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

A. Developer shall incur (or cause to be incurred) and provide documentation evidencing a minimum of ~~\$17,000,000.00~~ \$20,000,000.00 in Investment Expenditures **(Exhibit B)** for the Project, including site acquisition, off-site infrastructure, on-site preparation, site amenities, building construction/finish-out/furnishings, and professional fees (e.g., architecture, engineering, landscape architecture, interior design). Construction management costs may be considered an Investment Expenditure if services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. Developer fees, legal fees, marketing fees, financing fees, leasing commissions, carrying costs, reserves, operating deficits through stabilization, and other similar costs shall not be considered an Investment Expenditure.

SECTION 2. (continued)

With the exception of site acquisition, professional fees, environmental assessments and other eligible due diligence costs required by TDHCA, no expenditures made prior to City Council approval may count towards the minimum Investment Expenditures.

F. Developer shall obtain a building permit by July 1, ~~2022~~ 2023. A foundation permit may constitute meeting the obligation of this requirement. Note that while the Project is anticipated to commence site preparation prior to this deadline, a demolition permit or grading permit does not constitute meeting the building permit requirement.

G. Construction of the Project, including associated public improvements streetscape improvements, shall be complete, and all portions of the building shall be occupiable by December 31, ~~2023~~ 2024 or the placed in service deadline established by TDHCA for the Project, as evidenced by certificate of occupancy, letter of acceptance, certificate of completion, and/or similar documentation from the City. Developer shall provide Director with documentation of any changes to TDHCA's placed in service deadline within five (5) days of Developer's notification.

I. Developer shall make a good faith effort to comply with the City's Business Inclusion and Development ("BID") goal of ~~32%~~ 36% participation by certified Minority/Women-owned Business Enterprises ("M/WBE") for all hard construction expenditures on the Project and meet all reporting requirements. See Exhibit F.

SECTION 3. That all other terms and conditions as set forth in Resolution No. 21-1776, shall remain in full force and effect, except as specifically outlined in Section 2 above.

SECTION 4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City, and it is accordingly so resolved.