

April 12, 2023

~~**WHEREAS**, on May 9, 2018, the City Council adopted the Comprehensive Housing Policy (CHP) by Resolution No. 18-0704; and~~

~~**WHEREAS**, on November 28, 2018, the City Council amended the CHP by Resolution No. 18-1680; and~~

~~**WHEREAS**, on March 27, 2019, the City Council amended the CHP by Resolution No. 19-0429 and Ordinance No. 31142; and~~

~~**WHEREAS**, on May 22, 2019, the City Council amended the CHP by Resolution No. 19-0824; and~~

~~**WHEREAS**, on June 12, 2019, the City Council amended the CHP by Resolution No. 19-0884; and~~

~~**WHEREAS**, on June 26, 2019, the City Council amended the CHP by Resolution No. 19-1041; and~~

~~**WHEREAS**, on September 25, 2019, the City Council amended the CHP by Resolution No. 19-1498; and~~

~~**WHEREAS**, on December 11, 2019, the City Council amended the CHP by Resolution No. 19-1864; and~~

~~**WHEREAS**, on January 22, 2020, the City Council amended the CHP by Resolution No. 20-0188; and~~

~~**WHEREAS**, on April 20, 2020, the City Council authorized final adoption of the FY 2020-21 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds which included Community Development Block Grant (CDBG) Residential Development Acquisition Loan Funds by Resolution No. 20-0655; and~~

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

~~**WHEREAS**, on August 26, 2020, the City Council amended the CHP by Resolution No. 20-1220; and~~

~~**WHEREAS**, on January 27, 2021, the City Council amended the CHP by Resolution No. 21-0212; and~~

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~~**WHEREAS**, on June 9, 2021, the City Council authorized final adoption of the FY 2021-22 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds which included Community Development Block Grant (CDBG) Residential Development Acquisition Loan Funds by Resolution No. 21-0974; and~~

~~**WHEREAS**, on September 9, 2021, the City Council authorized an amendment to the CHP by Resolution No. 21-1450; and~~

~~**WHEREAS**, on September 9, 2021, the City Council amended the CHP by Resolution No. 21-1450; and~~

~~**WHEREAS**, on October 13, 2021, the City Council amended the CHP by Resolution No. 21-1655; and~~

~~**WHEREAS**, on October 13, 2021, the City Council amended the CHP by Resolution No. 21-1656; and~~

~~**WHEREAS**, on March 9, 2022, the City Council authorized final adoption of Reprogramming Budget No. 1 (Substantial Amendment No. 3) to the FY2021-22 Action Plan which included unspent prior year CDBG Funds in the amount of \$2,569,591.00 for the Residential Development Acquisition Loan Program by Resolution No. 22-0501; and~~

~~**WHEREAS**, on May 11, 2022, the City Council amended the CHP by Resolution No. 22-0744; and~~

~~**WHEREAS**, on June 22, 2022, the City Council authorized final adoption of the FY 2022-23 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds which included Community Development Block Grant (CDBG) Residential Development Acquisition Loan Funds by Resolution No. 22-1024; and~~

~~**WHEREAS**, on September 28, 2022, the City Council amended the CHP by Resolution No. 22-1432; and~~

~~**WHEREAS**, on January 23, 2023, LDG The Park at Northpoint, LP (Applicant) submitted an application that received a fundable score (99) and passed a third-party underwriting review for their proposed The Park at Northpoint; and~~

~~**WHEREAS**, on March 8, 2023, the City Council authorize final adoption of Reprogramming Budget No. 1 (Substantial Amendment No. 1) to the FY 2022-23 Action Plan which included unspent prior year CDBG funds in the amount of \$2,971,130.00 for the Residential Development Acquisition Loan Program by Resolution No. 23-0414; and~~

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~~**WHEREAS,** Developer has proposed the acquisition and development of a two-phase 615-unit mixed-income multifamily complex known as The Park at Northpoint located at 9999 West Technology Boulevard in the City of Dallas, Texas, including 151 one-bedroom, 154 two-bedroom, and 34 three-bedroom units for phase one and 125 one-bedroom, 121 two-bedroom, and 30 three-bedroom units for phase two, and will include amenities; and~~

~~**WHEREAS,** the Developer will provide required security measures to include security cameras, fencing, and alarm systems for the Project in accordance with Notice of Funding Availability criteria and the Office of Equity and Inclusion Fair Housing Division recommendations to ensure a safe living environment for all residents and staff; and~~

~~**WHEREAS,** after phase one development is complete, the Developer will provide the following: at least 173 of the 339 units will be made available to households earning 0.00%-80.00% of Area Median Income (AMI) and affordable for minimum of twenty years, and 166 of the 339 units will not be income restricted. After the development of phase two, 141 of the 276 units will be made available to households earning between 0.00%-80.00% AMI, and affordable for minimum of twenty years, and 135 of the 276 units will not be income restricted; and~~

~~**WHEREAS,** to assist in the affordable housing production goals established in the CHP, acting in furtherance of the City's governmental function, the City desires to enter into (1) a loan agreement with the Dallas Public Facility Corporation (DPFC), a non-profit corporation and public instrumentality, in an amount not to exceed \$10,000,000.00 in Community Development Block Grant (CDBG) funds pursuant to 24 CFR 570.201(a) and (b) to acquire and own the property; and~~

~~**WHEREAS,** the DPFC or its affiliate will enter into a 75-year ground lease with the Developer or its affiliate; and~~

~~**WHEREAS,** the Dallas City Council finds and determines that the transaction with the DPFC should be undertaken, approves the DPFC or an affiliate thereof to purchase and own the land using CDBG Funds, and enter into a 75-year ground lease with Developer for the development of the Project.~~

~~**Now, Therefore,**~~

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

~~**SECTION 1.** That the City Manager is hereby authorized (1) to execute a development loan agreement and security documents with the City of Dallas Public Facility Corporation (DPFC), or an affiliate thereof in an amount not to exceed \$10,000,000 in Community Development Block Grant (CDBG) Funds pursuant to 24 CFR 570.204(a) and (b) to-~~

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SECTION 1. (continued)

~~acquire and own the development of a mixed-income affordable multifamily complex known as The Park at Northpoint (Project), located at 9999 West Technology Boulevard, Dallas, Texas (Property); and (2) the DPFC to enter into a seventy-five-year ground lease with LDG The Park at Northpoint, LP (Developer) and/or its affiliate, for the development of Project pursuant to 24 CFR 570.204(a) and (b) — Not to exceed \$10,000,000.00 in Community Development Block Grant Funds.~~

SECTION 2. ~~That the City Manager is hereby authorized to execute a development loan agreement with the DPFC, including any financing and associated documents related to the loan agreement, subordinations to financial institution lien(s), 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 Neighborhood Revitalization (Director) may extend deadlines by up to two years.~~

~~CDBG Funds will be used for acquisition costs and other allowable development costs, as allowed by federal regulations governing the use of the funds and the Comprehensive Housing Policy (CHP). All funds will be provided on a reimbursable basis. The terms of the loan agreement shall include, but are not limited to the following:~~

- ~~1. The term of the loan agreement(s) is 40 years beginning from the effective date;~~
- ~~2. The term of the loan(s) shall be 40 years and ends on the maturity date to be defined in the loan agreement(s) and other financing documents for the loan(s), in accordance with the CHP;~~
- ~~3. LDG The Park at Northpoint, LP shall complete construction of the 339 units within two years of the effective date of the agreement, and additional 276 units in phase two after the completion of the prior phase, which may be extended by the Director up to two years (unless prohibited by the applicable regulations or the CHP);~~
- ~~4. 173 of the 339 units in phase one will be made available to households earning at or below 80.00% AMI and 166 units will be not be income restricted, and 141 of the 276 units in phase two will be made available to household earning at or below 80.00% AMI 135 will be not income restricted.~~
- ~~5. The unit mix will include 151 one-bedroom, 154 two-bedroom, and 34 three-bedroom units for phase one and 125 one-bedroom, 121 two-bedroom, and 30 three-bedroom units for phase two. The requirements of this subsection may be modified by the Director;~~
- ~~6. Loan amortization is 40 years, with an interest rate of 1% simple annual interest;~~

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SECTION 2. (continued)

- ~~7. LDG The Park at Northpoint, LP must execute a promissory note(s) for the total loan amount(s);~~
- ~~8. The DPFC, or its affiliate, as owner of the property shall execute and record deed restrictions on the property. The deed restrictions may be recorded senior to other financing documents such that the CDBG 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 CDBG units and 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 CHP;~~
- ~~9. The DPFC, or its affiliate, as 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 CDBG loan agreement(s) are met.~~
- ~~10. 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 agreement(s) (subject to the City's review and approval). The City's lien or liens for loan 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;~~
- ~~11. The CDBG loan shall be a nonrecourse and the City's remedies is limited to foreclosure only in the event of an uncured default;~~
- ~~12. Although the term, the maturity date, and the amortization are anticipated to be for a period of 40 years, the Director may adjust the terms so that it is coterminous with the senior lender;~~
- ~~13. DPFC shall purchase and own the land, enter into a long-term ground lease with LDG The Park at Northpoint, LP, and take an ownership interest in LDG The Park at Northpoint, LP for the development of a mixed-income multifamily complex located at 9999 West Technology Boulevard West, Dallas, Texas 75220;~~
- ~~14. LDG Athena Capital, LLC shall provide guarantees including a completion and operating deficit guaranty for the loan agreements;~~
- ~~15. LDG The Park at Northpoint, LP 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;~~

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SECTION 2. (continued)

~~16. 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;~~

~~17. The CDBG loan agreements are conditioned upon:~~

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

~~b. HUD federal requirements including environmental review, site and neighborhood standards, cost reasonableness, subsidy layering, and underwriting;~~

~~c. LDG The Park at Northpoint, LP shall make a good faith effort to comply with the City's Business Inclusion and Development goal of 32% 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 Small Business Center ;~~

~~d. All conditions listed in the CHP for developer programs;~~

~~e. Final underwriting; and~~

~~f. Closing on equity and all other financing for the development.~~

SECTION 3. ~~That the DPFC is authorized to purchase and own the property, enter into a 75-year ground lease with Developer, and take an ownership interest in Developer.~~

SECTION 4. ~~That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds in an amount not to exceed \$10,000,000.00 in CDBG funds to the DPFC Vendor VC27691, or its affiliates for eligible expenditures and accepts supporting evidence as defined in the agreements from funding sources listed and described as follows:~~

~~FY 2020-21 Community Development Block Grant Fund
Fund CD20, Department HOU, Unit 406E
Object 3015, Vendor VC27691~~

~~Encumbrance/Contract No. HOU-2023-00021538 \$ 1,586,898.58~~

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SECTION 4. (continued)

~~FY 2021-22 Community Development Block Grant Fund
Fund CD21, Department HOU, Unit 507F
Object 3015, Vendor VC27691
Encumbrance/Contract No. HOU-2023-00021538 \$ 2,875,593.09~~

~~FY 2022-23 Community Development Block Grant Fund
Fund CD22, Department HOU, Unit 607G
Object 3015, Vendor VC27691
Encumbrance/Contract No. HOU-2023-00021538 \$ 2,265,710.00~~

~~FY 2021-22 Reprogrammed Funds Community Development Block Grant Fund
Fund 21RP, Department HOU, Unit 565F
Object 3015, Vendor VC27691
Encumbrance/Contract No. HOU-2023-00021538 \$ 2,569,590.98~~

~~FY 2022-23 Reprogrammed Funds Community Development Block Grant Fund
Fund 22RP, Department HOU, Unit 664G
Object 3015, Vendor VC27691
Encumbrance/Contract No. HOU-2023-00021538 \$ 702,207.35~~

~~Total amount not to exceed \$10,000,000.00~~

SECTION 5. That it is FURTHER RESOLVED that the City of Dallas hereby confirms that its Governing Body has voted specifically to authorize the Development to move forward.

SECTION 6. That the City Controller is hereby authorized to record notes receivable—developers loan in balance sheet account 033F and deferred revenue—home loans in 050A in fund CDBG for the amount of the loan.

SECTION 7. That the City Controller is hereby authorized upon receipt of payment on the notes receivable to record principal payment revenue in CDBG Program Income, Fund HUPI, Department HOU, Unit 6207, Revenue Code 8520 and interest payment revenue in CDBG Program Income, Fund HUPI, Department HOU, Unit 6207, Revenue Code 8521.

SECTION 8. 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 and conditional grant documents are duly approved by all parties and executed.

SECTION 9. That development agreement is designated as Contract No. HOU-2023-00021538.

SECTION 10. That the 75-year ground lease is designated as Contract No. HOU-2023-00021832.

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SECTION 11. ~~That this resolution shall take effect immediately from and after its passage in accordance with the provision of the Charter of the City of Dallas, and it is accordingly so resolved~~