

January 12, 2022

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

WHEREAS, on November 28, 2018, City Council adopted certain amendments to the CHP in order to correct inconsistencies and to facilitate effective implementation by Resolution No. 18-1860; and

WHEREAS, on August 7, 2020, the City issued a Notice of Funding Availability in accordance with the CHP and Greenleaf Ventures, LLC (Developer) submitted an application for gap financing and received a fundable score; and

WHEREAS, on June 23, 2021, City Council authorized the acceptance of grant funds from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Fund to provide relief during the ongoing COVID-19 pandemic by Resolution No. 21-1149.

WHEREAS, on September 22, 2021, City Council authorized the final reading and adoption of the appropriation ordinance for the FY 2021-22 City of Dallas Operating, Capital, and Grant & Trust Budgets, which included the ARPA funds from the U.S. Department of Treasury for the Coronavirus Local Fiscal Recovery Funds by Resolution No. 21-1591.

WHEREAS, in recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities; and

WHEREAS, this allows the City to provide for the development of affordable housing under the building stronger neighborhoods and communities category to other populations, households, or geographic areas disproportionately impacted by the pandemic; and

WHEREAS, the Treasury presumes that such services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments and this Project is located in such QCT; and

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WHEREAS, QCT means any census tract which is designated by HUD and, for the most recent year for which census data are available on household income in such tract, either in which 50 percent or more of the households have an income which is less than 60 percent of the area median gross income for such year or which has a poverty rate of at least 25 percent (26 U.S.C. 42(d)(5)(B)(ii)(I)); and

WHEREAS, services in the building stronger neighborhoods and communities category alleviate the immediate economic impacts of the COVID-19 pandemic on housing insecurity, while addressing conditions that contributed to poor public health and economic outcomes during the pandemic, namely concentrated areas with limited economic opportunity and inadequate or poor-quality housing; and

WHEREAS, eligible services include, but are not limited to improving access to stable, affordable housing among unhoused individuals and developing affordable housing to increase supply of affordable and high-quality living units to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity; and

WHEREAS, to assist in the sustainable and affordable housing production goals established in the CHP and to address the disproportionate impact on COVID-19 on certain populations, the City desires to enter into a conditional grant agreement with Developer and/or its affiliates in an amount not to exceed \$1,854,276.00 in American Rescue Plan Act funds in consideration of the development of the Greenleaf Ventures Lake June Project on Developer-owned lots located in the Pleasant Grove District of East Dallas (Project).

Now, Therefore,

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

SECTION 1. That the City Manager hereby authorizes the execution of a conditional grant agreement in an amount not to exceed \$1,854,276.00 with the Developer and/or affiliates in American Rescue Plan Act (ARPA) Funds for public water infrastructure costs related to the construction of up to one hundred and twenty-five single-family homes in a QCT, approved as to form by the City Attorney. An “affiliate” shall be an individual or entity that is either a parent company to the Developer or a subsidiary of the Developer.

SECTION 2. That the terms of the Project include but are not limited to the following:

- a) The conditional grant, \$1,854,276.00 in ARPA Funds (which is estimated to be \$14,834.21 per property), shall be used for the Project, which will be forgiven upon sale of each home to a qualified homebuyer, subject to compliance with the terms and conditions of the agreement.

SECTION 2. (continued)

- b) No liens shall exist on the lots, except for liens related to the development of each lot, as detailed herein. However, Developer shall ensure that each lot is free from liens or other encumbrances at the time of sale to each homebuyer.
- c) Developer shall ensure that all single-family homes (Units) have access to public sewer, public water, public road, and any other necessary utilities.
- d) All Project costs must be reasonable and customary and conform with the CHP, and any other applicable City regulations.
- e) 20% of units to be sold to households earning up to 80% of the area median income (AMI). The remaining units shall be sold to households earning up to 120% AMI. Each single-family home will average approximately 1850 square feet of living space. Developer may sell each Unit for a price up to \$325,000.00. The Units shall remain affordable for a period of ten (10) years and shall be secured by recorded deed restrictions.
- f) The Director of Housing & Neighborhood Revitalization (Director) may authorize minor modifications to the Project including the home sales prices to account for market changes in the construction and housing industry, so long as such modification complies with the CHP.
- g) 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).
- h) The conditional grant shall be secured by a first or second lien and a note. The lien shall be subordinate only to a private financial institution's lien, in accordance with the CHP. The lien will be released upon satisfaction of the obligations detailed herein and in the contract, as determined in the City's sole discretion.
- i) Developer shall complete the Project and sell all units within two years of the date the conditional grant agreement is executed. The Director may extend this deadline, as determined in his/her sole discretion. However, as set forth in Treasury's implementing regulations, the City may use ARPA funds to cover eligible costs incurred on or before December 31, 2024, subject to extension by the Treasury. Therefore, all costs are subject to this deadline.

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SECTION 2. (continued)

- j) Developer shall comply with ARPA regulations and guidance. Developer agrees to amend the conditional grant documents, as determined in the City's sole discretion, to comply with additional/amended guidance from the Treasury.
- k) The terms and conditions listed herein may be amended by the City, without further City Council approval, in order to comply with Treasury regulations and guidance.
- l) Upon completion of the public water infrastructure improvements, the Developer may assign lots to homebuilders for completion and sale of the Units in accordance with this resolution and the conditional grant documents. The homebuilder shall execute assignment documents provided by the City.

SECTION 3. That the City Manager is hereby authorized to appropriate an amount not to exceed \$1,854,276.00 in the Coronavirus Local Fiscal Recovery Funds, Fund FC18, Department HOU, Unit AD10, Object 3099.

SECTION 4. That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Greenleaf Ventures, LLC, Vendor VS88080 Encumbrance/Contract No. HOU-2021-00017493 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 \$1,854,276.00 from funding sources listed Coronavirus Local Fiscal Recovery Funds, Fund FC18, Department HOU, Unit AD10, Object 3099, Encumbrance/Contract No. HOU-2021-00017493, Vendor VS88080.

SECTION 5. 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 documents are duly approved by all parties and executed.

SECTION 6. 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.