

September 25, 2019

WHEREAS, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and Palladium Redbird, Ltd., submitted an application for gap financing, and received a fundable score for Palladium Redbird; and

WHEREAS, the proposed development is part of the overall renovation and redevelopment of a shopping mall located at 3662 West Camp Wisdom Road known as Red Mall which received City incentives; and

WHEREAS, on January 25, 2019, the City of Dallas Housing Finance Corporation Board of Directors at its Board meeting approved entering into an agreement to purchase and own the land; enter into a long-term ground lease, and taking an ownership interest in Palladium Redbird, Ltd.; and

WHEREAS, the proposed development is located in the Red Bird Redevelopment target area, one of the 15 approved Reinvestment Strategy Areas in the Policy, and the proposed development is a mixed-income multifamily residential development providing 90 market rate and 210 units to households earning 60 percent or below of Area Median Income and provides future residents with access to opportunities such as transit, park, community center, and retail; and

WHEREAS, on February 27, 2019, City Council authorized (1) a development loan agreement with Palladium Redbird, Ltd. or an affiliate thereof in an amount not to exceed \$6,271,576.00 (comprised of \$3,575,276.00 in HOME Investment Partnerships Program Funds and \$2,696,300.00 of Community Development Block Grant Funds); (2) a conditional grant agreement with Palladium Redbird, Ltd. or an affiliate thereof for the development of a multifamily residential development to be located at the intersection of West Camp Wisdom Road and South Westmoreland Road, in an amount not to exceed \$2,028,424.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with Palladium Redbird, Ltd., and take an ownership interest in Palladium Redbird, Ltd. by Resolution No. 19-0385; and

September 25, 2019

WHEREAS, on June 12, 2019, City Council authorized the first amendment to Resolution No.19-0385 to: (1) amend the development loan amount with Palladium Redbird, Ltd. or an affiliate to only include an amount not to exceed \$5,000,000.00 in HOME Investment Partnership Program ("HOME") funds for construction, (2) authorize a development loan agreement with Palladium Redbird, Ltd. or the City of Dallas Housing Finance Corporation ("DHFC") for acquisition of land and construction, subject to DHFC Board of Directors' approval, in an amount not to exceed \$1,271,576.00 in Community Development Block Grant ("CDBG") funds, (3) allow the closing of the Palladium Redbird, Ltd. and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development, (4) allow Palladium Redbird, Ltd. and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under the agreement to be reimbursed the remaining loan and grant amounts, and (5) allow the City to maintain no less than 3rd lien position; and

WHEREAS, the City desires to move forward with the Palladium Redbird development to complete the project; and

Now, Therefore,

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

SECTION 1. That the terms and conditions of ~~agreed upon in~~ Resolution Nos. 19-0385, as amended, is hereby ~~and 19-0944 for the loan and conditional grant agreements are hereby~~ amended as follows:

1. Remove the requirement of Palladium USA, Inc. (Guarantor) to provide full, Resounconditional guarantee of repayment for Palladium Redbird development, for the grant and the loan; and
2. Add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by Palladium Redbird, Ltd. to its senior construction lender, if allowed by the permanent lender, for the grant and the loan; and
3. Add a minimum investment requirement by Palladium Redbird, Ltd. of \$30,000,000.00 to construct the improvements for the Palladium Redbird development as additional consideration, for the grant and the loan; and
4. Allow the nonprofit entity to assign certain obligations under the conditional grant agreement to Palladium Redbird, Ltd.; and
5. Allow the City's deed restrictions to be subordinate to HUD's covenants and restrictions, to the extent that it does not conflict with the City's requirements.

September 25, 2019

SECTION 2. That all other terms and conditions contained in Resolution No. 19-0385, previously approved on February 27, 2019, as amended by ~~and~~ Resolution No. 19-0944, previously approved on June 12, 2019, shall remain unchanged and in full force and effect. ~~and binding upon Palladium Redbird, Ltd. and DHFC.~~

SECTION 3. 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 agreements are duly approved by all parties and executed.

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 of Dallas, and it is accordingly so resolved.