

February 12, 2020

**WHEREAS**, on January 24, 2018, City Council supported the 2018 Texas Department of Housing and Community Affairs' (TDHCA) 9% low-income housing tax credit application for the development at 2400 Bryan Street and authorized a line of credit agreement in the amount of \$500.00 for a commitment of development funding by Resolution No.18-0219; and

**WHEREAS**, on May 9, 2018, City Council authorized the adoption of a Comprehensive Housing Policy Manual (Policy) by Resolution No. 18-0704, as amended, 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; and

**WHEREAS**, on August 30, 2018, the City issued a Notice of Funding Availability in accordance with the Policy and 2400 Bryan Street, LLC (2400 Bryan), submitted an application for gap financing, and received a fundable score; and

**WHEREAS**, on February 27, 2019, City Council authorized (1) a development loan agreement with 2400 Bryan Street, LLC (2400 Bryan) or an affiliate thereof in an amount not to exceed \$13,026,943.00 (comprised of \$3,605,570.00 in HOME Investment Partnerships Program Funds, \$6,000,000.00 in Public/Private Partnership Funds, and \$3,421,373.00 in Community Development Block Grant Funds (CDBG); (2) a conditional grant agreement with 2400 Bryan or an affiliate thereof for the development of a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds; and (3) the City of Dallas Housing Finance Corporation (DHFC) to purchase and own the land and to enter into a long-term ground lease with 2400 Bryan by Resolution No. 19-0360; and

**WHEREAS**, on June 12, 2019, City Council authorized the first amendment to Resolution No.19-0360, previously approved on February 27, 2019, for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street to: (1) amend the development loan amount with 2400 Bryan or an affiliate to only include an amount not to exceed \$6,000,000.00 in Public/Private Partnership funds for construction; (2) authorize a development loan agreement with the DHFC, instead of 2400 Bryan, for acquisition of land and construction; subject to DHFC Board of Directors' approval, in amount not to exceed \$7,026,943.00 in CDBG funds; (3) allow the closing of the 2400 Bryan and DHFC grant/loan to occur prior to closing on the equity and all other financing for the development; (4) allow 2400 Bryan and DHFC to be reimbursed for costs associated to acquisition at closing, but must meet all other requirements under Resolution No.19-0360 to be reimbursed the remaining loan and grant amounts; and (5) allow the City to maintain no less than 3rd lien position; and by Resolution No. 19-0943; and

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**WHEREAS**, on September 25, 2019, City Council authorized the second amendment to Resolution No. 19-0360, previously approved on February 27, 2019, as amended, and the first amendment to the development loan with DHFC for a mixed-use and mixed-income multifamily residential development to be located at 2400 Bryan Street (Development) to: (1) remove the permanent repayment guaranty requirement of RMGM Bryan Street, LLC; (2) add to the requirement that the City only be added as an additional obligee on payment and performance bonds furnished by 2400 Bryan to its senior construction lender, if allowed by the permanent lender; and (3) add a minimum investment requirement for DHFC and 2400 Bryan of \$45,000,000.00 to construct the improvements for the Development by Resolution No. 19-1509; and

**WHEREAS**, on November 13, 2019, City Council authorized the third amendment to Resolution No. 19-0360, previously approved on February 27, 2019, as amended, and the second amendment to the development loan with DHFC for the Development: (1) authorize a conditional grant agreement in an amount not to exceed \$973,057.00 in 2012 General Obligation Bond Funds with a nonprofit entity, subject to approval by the Director of the Office Economic Development, allow the nonprofit entity to assign certain obligations under conditional grant agreement to 2400 Bryan Street, LLC (Borrower) and for the loan to be collaterally assigned to the City; (2) that the loans with the DHFC and Borrower shall be nonrecourse; (3) that the City shall maintain no less than 4<sup>th</sup> lien position, subordinate only to a senior construction lender for a loan in a greater amount; (4) In the event of an uncured default by the Borrower and DHFC, the City's remedies shall be limited to foreclosure only. In such instance, the City cannot sue Borrower and DHFC for repayment of the loan and will not be entitled to damages and/or deficiency judgments; and (5) Increase the voucher unit set aside, as required in Chapter 20A of the Dallas City Code, from 10% to 15% as additional consideration by Resolution No. 19-1770; and

**WHEREAS**, the senior permanent lender, Freddie Mac, requested the City's loans mature 6 months after the senior loan maturity date and it was the intent of the City's loans to be coterminous and subordinate to the senior permanent lender; and

**WHEREAS**, the City desires to move forward with the 2400 Bryan Street development to complete the project.

**Now, Therefore,**

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

February 12, 2020

**SECTION 1.** That the City Manager is authorized to execute an amendment to the CDBG development loan agreement with the DHFC in an amount not to exceed \$7,026,943.00, and the P/PP development loan agreement with the Borrower and that the terms and conditions of Resolution No. 19-0360, as amended, are hereby amended to: (1) amend the City's loan maturity to the 15th anniversary from the date of conversion from construction financing to permanent financing plus 6 months or 6 months from the maturity date of the senior lender note, whichever is later; and (2) increase the minimum investment requirement by DHFC and 2400 Bryan Street, LLC from \$45,000,000.00 to \$45,500,000, approved as to form by the City Attorney.

**SECTION 2.** That the ratification described in Section 1 is expressly conditioned upon the DHFC's execution of an amendment to the CDBG development agreement and Borrower's execution of an amendment to the P/PP development loan agreement to include the additional consideration described in Section 1, approved as to form by the City Attorney. Until the DHFC and Borrower execute the amended documents, the ratification shall be deemed to be not approved by the City Council and the maturity date will remain the same, as previously approved.

**SECTION 3.** That with the exception of the changes above, all other requirements of Resolution Nos. 19-0360, 19-0943, 19-1509, and 19-1770 shall remain in full force and effect.

**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.