

February 26, 2020

**WHEREAS**, December 31, 1993, the City of Dallas executed a housing redevelopment loan agreement with WCH Limited Partnership, a Texas Limited Partnership, comprised of two parties: Wynnewood Community Housing Corporation and Nationsbank Community Development Corporation, in the amount of \$1,080,000.00 for The Parks at Wynnewood; and

**WHEREAS**, on February 10, 2010, City Council authorized a modification to the policy for the acceptance of applications seeking City support for low income housing tax credits financing, when the State of Texas does not require direct City approval; and

**WHEREAS**, on February 24, 2010, City Council authorized support of the Wynnewood Seniors Housing Project; and

**WHEREAS**, on September 7, 2011, City Council authorized an amendment to a development loan agreement between the City and Bank of America CDC replacing funding of \$1,500,000.00 with modification of the City loan to the project by forgiving \$850,000.00 of the \$2,193,750.00 balance of the loan in return for a \$500,000.00 partial lump sum repayment and an agreement from the developer to repay the remaining \$843,750.00 as a five year, 0% interest loan, collateralized with the 39.5 acres remaining in the Parks of Wynnewood site after completion of Phase I; and

**WHEREAS**, on June 13, 2012, the City requested to have the entire 48 acres of the Parks at Wynnewood Project site demolished over time to be developed in phases on a reduced footprint that will include a combination of both affordable multifamily housing and low-income senior housing units, working with the Council and the appropriate neighborhood groups, with Phase I being new construction of 140 housing units on approximately 8.5 acres, Phase II being new construction of 160 housing units on approximately 7 acres, Phase III being 160 housing units on approximately 5.5 acres and the remaining net acreage of the original 48 acres planned for residential/commercial/retail development; and

**WHEREAS**, on February 27, 2013, City Council authorized a Resolution of Support for the Texas Department of Housing and Community Affairs ("TDHCA") 9% low-income housing tax credit allocation for Wynnewood Family Housing project located at 2048 South Zang Boulevard for the acquisition and new construction of the proposed 160-unit multifamily residential development for low income families; and

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**WHEREAS**, on February 27, 2013, City Council authorized the City Manager, upon approval as to form by the City Attorney, to amend the terms of development loan agreement provided for the Parks at Wynnewood located at 1910 Argentia Drive, contingent upon the award of 2013 9% Low Income Housing Tax Credits ("LIHTC"), to: (1) forgive \$425,000.00 of the Current balance of the loan and (2) the liability for the \$425,000.00 will be assumed by the Wynnewood Family Housing, LP and WCH Limited Partnership will be released from liability on the \$425,000.00, and such assumption and release took place on June 26, 2014 and the forgiveness took place on June 26, 2014; and

**WHEREAS**, on April 8, 2015, City Council adopted the Wynnewood Urban Design Guide by Resolution No. 15-0703, after a public hearing; and

**WHEREAS**, February 22, 2017, City Council authorized a Resolution of Support for the TDHCA 9% low-income housing tax credit allocation for Wynnewood Senior Housing II Project located at 1805 South Zang Boulevard; and

**WHEREAS**, the various developers and applicant entities associated with the redevelopment of the Parks at Wynnewood and previous 9% low-income housing tax credit ("HTC") allocations have completed 160 units of affordable multifamily units for families and 140 units of affordable multifamily units for seniors at the redevelopment site; and

**WHEREAS**, such plan was adopted by the city council on April 8, 2015 by Resolution No. 15-0703, as amended; and

**WHEREAS**, on June 12, 2019, City Council amended the Comprehensive Housing Policy to amend the policy regarding Resolutions of Support or No Objection by Resolution No. 19-0884; and

**WHEREAS**, the Comprehensive Housing Policy provides a policy for developers requesting a Resolution of Support or No Objection (Resolutions) for multifamily rental housing developments seeking HTC through the TDHCA; and

**WHEREAS**, S Zang, LP or its affiliate, ("Applicant") has proposed the acquisition and redevelopment of a mixed-income multifamily complex to be known as HighPoint at Wynnewood located at 1805 South Zang Boulevard or 1911 Pratt Street in the City of Dallas, Texas; and

**WHEREAS**, the development is part of a Concerted Revitalization Plan ("CRP") area more specifically outlined in the Wynnewood Urban Design Guide and the Comprehensive Housing Policy, as amended, as the Wynnewood Redevelopment Reinvestment Strategy Area ("RSA"); and

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**WHEREAS**, such plan was adopted by the City Council on May 9, 2018, by Resolution No. 07-1805, as amended; and

**WHEREAS**, the Applicant proposes to redevelop 120 units, to include 30 1-bedroom, 66 2-bedroom, and 24 3-bedroom; and will include amenities; and

**WHEREAS**, upon completion of the redevelopment, the Applicant proposes to make 13 of the 120 units available to households earning 0%-30% of Area Median Income ("AMI"), 49 of the 120 units available to households earning between 31%-50% of AMI, 52 of the 120 units available to households earning between 51%-60% of AMI, and 6 market rate units; and

**WHEREAS**, the Applicant has advised the City that it submitted a pre-application to the TDHCA for 2020 9% Competitive HTC for the proposed acquisition and redevelopment of a property to be known as HighPoint at Wynnewood (TDHCA #20310); and

**WHEREAS**, the expenditure of Public/Private Partnership funds supporting this development project is consistent with the City's revised Public/Private Partnership Guidelines and Criteria; and

**WHEREAS**, pursuant to Section 11.9 of the Qualified Allocation Plan and Chapter 2306 of the Texas Government Code, the City desires to provide a Resolution of Support to the Applicant for the 2020 9% Competitive HTC application for HighPoint at Wynnewood located at 1805 South Zang Boulevard or 1911 Pratt Street, Dallas, Texas 75224.

**Now, Therefore,**

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

**SECTION 1.** That the City of Dallas, acting through its Governing Body, hereby confirms that it supports the proposed development by S Zang, LP, or its affiliate to be located at 1805 South Zang Boulevard or 1911 Pratt Street, Dallas, Texas 75224, the development's application for 2020 9% HTC, and any allocation by the TDHCA of 2020 9% HTC for the proposed development.

**SECTION 2.** That the City Manager or their designee is hereby authorized to execute an amended and restated redevelopment loan agreement with S Zang, LP or its affiliate, approved as to form by the City Attorney, for the construction of the proposed development. The amended and restated agreement will have the following terms:

- a. Line of credit requirements for \$500.00:
  1. Applicant must be awarded 2020 9% HTC by TDHCA; and
  2. The line of credit will have an interest rate of 1%. Interest will not be incurred or accrue until and unless funds are drawn; and

**SECTION 2.** (continued)

3. The line of credit may be repaid at any time but must be repaid in full on expiration or termination of the Land Use Restriction Agreement recorded by TDHCA.
- b. Amendments to the project requirements
  1. (a) require the Applicant to obtain 2020 9% LIHTC for the HighPoint at Wynnewood Apartments; (b) extend the timeline for completion by 10 years, to 2027; (c) extend the maturity date by 10 years, to 2027; (d) lower the number of units to be built from 160 to 120; (e) require a 15 year affordability period to be enforced by deed restrictions applicable to the Highpoint at Wynnewood project and subordinate to TDHCA land use restrictions; (f) allow for the forgiveness of the remaining balance of \$418,750.00 upon satisfaction of the loan terms and (g) require the Applicant to provide onsite classes for adults, career development/job training, annual health fairs, and a one-time set aside in the amount of \$50,000.00 for social services, as consideration to the City for such amendments.

**SECTION 3.** That the Chief Financial Officer is hereby authorized to disburse funds in an amount not to exceed \$500.00 to from Public/Private Partnership Fund, Fund 0352, Department ECO, Unit P151, Object 3015, Activity PPPF, Encumbrance/Contract No ECO-2020-00012959, Vendor VC21115, in accordance with this resolution.

**SECTION 4.** That the Chief Financial Officer is hereby authorized to set up a Receivable Balance Sheet Account in Public/Private Partnership Fund, Fund 0352, Department ECO, Balance Sheet 033F and a Deferred Revenue Balance Sheet, Account 0898, in the amount of \$500.00.

**SECTION 5.** That the Chief Financial Officer is hereby authorized to receive, accept and deposit loan payments from S Zang, LP or affiliate in Public/Private Partnership Fund, Fund 0352, Department ECO, Principal Revenue Code 847G and Interest Revenue Code 847H, and debit Balance Sheet 0001 (Cash); as well as debit Deferred Revenue Balance Sheet Account 0898 and credit Receivable Balance Sheet Account 033F.

**SECTION 6.** That this formal action has been taken to put on record the opinion expressed by the City of Dallas on February 26, 2020, and that for and on behalf of the Governing Body, the Mayor or City Manager, or their designee, is hereby authorized, empowered, and directed to certify this resolution to the TDHCA.

**SECTION 7.** That this resolution affirms that the above-named development has been identified as contributing most significantly to the concerted revitalization efforts of the city as outlined in the Wynnewood Urban Design Guide and the City's Comprehensive Housing Policy as the Wynnewood Redevelopment RSA.

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**SECTION 8.** That the City, upon approval as to form by the City Attorney, may (1) release its lien upon compliance with all loan terms or upon payment by Applicant of the \$418,750.00 and the deed restrictions may be released upon compliance with its terms in accordance with this resolution or full payment of the loan amount (\$418,750.00) and (2) subordinate its lien to any interim or permanent financing so long as City's lien is in no lower than third position.

**SECTION 9.** That the Director of the Office of Economic Development may extend some or all deadlines in this resolution for up to a one year period, as determined in its sole discretion.

**SECTION 10.** 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.