

January 27, 2021

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 authorized amendments to the CHP to make technical changes to the Home Improvement and Preservation Program, the Dallas Homebuyer Assistance Program, and the New Construction and Substantial Rehabilitation Program by Resolution No. 18-1680; and

WHEREAS, on August 7, 2020, the City issued a Notice of Funding Availability in accordance with the CHP and St. Jude, Inc. submitted an application that received a fundable score and passed a preliminary underwriting review for the St. Jude Center – Park Central Project (Project); and

WHEREAS, on January 25, 2021, the Housing and Homelessness committee will be briefed by memorandum regarding this item; and

WHEREAS, to assist in the affordable housing production goals established in the CHP, the City desires to enter into a conditional grant agreement with St. Jude, Inc. and/or its affiliates in an amount not to exceed \$3,300,000.00 in consideration of the renovation of The St. Jude Center – Park Central Project.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to execute a conditional grant agreement with St. Jude, Inc. and/or its affiliates (Developer), approved as to form by the City Attorney, for the rehabilitation of property located at 8102 Lyndon Baines Johnson Freeway, Dallas Texas 75251, which will provide 180 permanent supportive housing for persons experiencing homelessness for a minimum of 15 years, pursuant to the City's New Construction and Substantial Rehabilitation Program, in an amount not to exceed \$3,300,000.00.

SECTION 2. That the terms of the conditional grant agreement shall include, but is not limited to the following terms:

- a. Developer shall submit a development plan and the development plan must be approved by the City. The development plan submitted must include a specific plan of development for the development of the rental units.

SECTION 2. (continued)

- b. All Project costs must be reasonable and customary and conform with the Comprehensive Housing Policy (CHP), and any other applicable City regulations.
- c. City funding must be used for eligible project costs and shall include only capital construction costs for renovation of the affordable rental units.
- d. All 180 units shall be permanent supportive housing units and are to be rented to households at 0-30% of the Area Median Income (AMI). All units will remain affordable for a minimum of 15 years, to be secured by deed restrictions, beginning on the date that the first rental unit is occupied by an eligible tenant in Phase II. Developer shall ensure that social services will be provided to the residents.
- e. Developer shall rent the units in accordance with Affirmative Marketing Standards and rental standards set forth in the CHP.
- f. The City Manager may authorize minor modifications to the Project and modify rent rates where applicable, so long as such modification complies with the CHP.
- g. Developer shall complete the project within two years of execution of the conditional grant agreement. Developer may receive one 12-month extension of the conditional grant agreement subject to the approval of the Director of the Department of Housing and Neighborhood Revitalization.
- h. Developer shall comply with Chapter 20A of the Dallas City Code including, but not limited to, Developer shall not discriminate against holders of any housing vouchers, including vouchers directly or indirectly funded by the federal government.
- i. The conditional grant shall be secured by a first or second lien on all land and improvements included in the Project. The lien shall be subordinate only to a private financial institution's superior lien for a loan in a greater amount. The lien will be released upon satisfaction of the obligations detailed herein and in the contract.
- j. Developer shall adhere to the requirements of the CHP, including but not limited to the New Construction and Substantial Rehabilitation Program, as applicable, (including but not limited to Ongoing Project Requirements, Reporting and Record Keeping, and Structure of Transaction), authorized by Resolution No. 19-1498.
- k. Substantial Rehabilitation shall include one or more of the following: 1. Replacement of two or more major building components (roof, wall or floor structures, foundation, plumbing, central Heating Ventilation, and Air Conditioning, or electrical system); or 2. Rehabilitation costs are 15 percent or more, exclusive

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SECTION 2. (continued)

of any acquisition and/or acquisition and development soft costs, of the property's replacement cost

(fair market value) after completion of all required repairs, replacements, and improvements; or 3. Rehabilitation hard costs are \$10,000.00 or more per unit.

SECTION 3. That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Developer 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 \$3,300,000.00 from Homeless Assistance (J) Fund, Fund 1V43, Department MGT, Unit VJ12, Object 3016, Activity HOAF, Program OH17VJ12 Encumbrance/Contract No. HOU-2021-00015322, Vendor VS93926.

SECTION 4. 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 5. 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.