

June 9, 2021

WHEREAS, on May 9, 2018, City Council adopted a Comprehensive Housing Policy Manual (CHP) by Resolution No. 18-0704 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 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 St. Philip's School and Community Center, acting through its nonprofit subsidiary, 1600 Pennsylvania, (Developer) submitted an application for gap financing and received a fundable score; and

WHEREAS, on September 9, 2020, City Council approved the FY 2020-21 budget which included the funding for the Dallas Community Solar Fund by Ordinance No. 201342; and

WHEREAS, to assist in the sustainable and affordable housing production goals established in the CHP, the City desires to enter into a conditional grant agreement with Developer and/or its affiliates in an amount not to exceed \$550,000.00 in consideration of the development of the St. Philip's Catalyst Project on Developer-owned lots located in the Forest District of South Dallas/Fair Park (Project).

Now, Therefore,

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

SECTION 1. That the City Council authorizes the execution of a conditional grant agreement with Developer and/or affiliates in the amount of \$550,000.00 in 2017 General Obligation Bond Funds for public infrastructure improvements and construction costs of up to six single-family homes and one accessory dwelling unit- and in the amount of \$120,000.00 in General Funds for the purchase and installation of solar panels for six single-family homes, for a total not to exceed \$670,000.00, approved as to form by the City Attorney. An "affiliate" shall be an 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) 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 income-eligible homebuyer.

SECTION 2. (continued)

- b) Developer shall ensure that all single-family homes (Units) have access to public sewer, public water, public road, and any other necessary utilities.
- c) All Project costs must be reasonable and customary and conform with the CHP, and any other applicable City regulations.
- d) All Units are to be sold to households at 60-110% area family median income. Each single-family home will range from 1,365 square feet to 1,800 square feet of living space. Developer may sell each Unit for a price between \$189,500.00 and \$240,000.00. The Units shall remain affordable for a period of 15 years and shall be secured by recorded deed restrictions.
- e) Funding for the accessory dwelling unit (ADU) is subject to compliance with the requirements of the Dallas City Code, as amended, including approval by the Board of Adjustment if necessary. The ADU shall be rented to households not exceeding 120 percent of the area median income for no less than fifteen years. The ADU will include approximately 575 square feet of living space.
- f) \$120,000.00 in general funds shall be used for the purchase and installation of solar panels for six single-family Units (not including the ADU). The general funds shall accrue simple interest at 1%, which shall be forgiven upon sale of each single-family home to a qualified homebuyer. \$550,000 in bond funds is forgivable and is not subject to interest.
- g) The Director of the Department of Housing & Neighborhood Revitalization 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.
- h) 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), authorized by Resolution No. 19-1498, as amended and as applicable.
- i) 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 superior lien. The lien will be released upon satisfaction of the obligations detailed herein and in the contract.

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SECTION 3. That the City Manager is hereby authorized to appropriate an amount not to exceed \$120,000.00 in the General Fund, Fund 0001, Department MGT, Unit 5602, Object 3016.

SECTION 4. That the Chief Financial Officer is hereby authorized to disburse funds to 1600 Pennsylvania, a community development subsidiary of St. Philip's School and Community Center 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 \$670,000.00, as follows:

ECO (I) Fund

Fund 1V52, Department HOU, Unit VI21, Activity ECNR

Object 3016, Program HO17VI21

Encumbrance/Contract No. HOU-2021-00016132

Vendor VS0000066137

\$550,000.00

General Fund

Fund 0001, Department HOU, Unit 5602, Activity ECNR

Object 3016, Program HO17VI21

Encumbrance/Contract No. HOU-2021-00016132

Vendor VS0000066137

\$120,000.00

Total amount not to exceed

\$670,000.00

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.