

December 11, 2013

WHEREAS, on April 25, 1984, the City of Dallas (City) authorized the creation of the Dallas Housing Finance Corporation (DHFC) as a Texas non-profit corporation, pursuant to the Texas Housing Finance Corporation Act, Chapter 394, Local Government Code, V.T.C.A., as amended (the Act), to act on behalf of the City in carrying out the public purpose of the Act; and

WHEREAS, the DHFC is authorized by the Act to issue its revenue bonds on behalf of the City for the purpose of providing funding for the housing development for persons of low and moderate income to be located in the City; and

WHEREAS, pursuant to Resolution No. 06-0136, City Council decided for a 12 month period beginning on January 11, 2006 not to approve any new tax credit transactions unless a pre-application waiver is granted by the City Council; and

WHEREAS, pursuant to Resolution No. 07-0733, Section 1.2 of the Bylaws was amended to allow the DHFC to purchase, lease, own, hold title to, or otherwise acquire an interest in a residential development, directly or indirectly through a subsidiary of the DHFC, provided that the City Council, by resolution, prior to the transaction being consummated by the DHFC, (1) finds and determines that such transaction should be undertaken, (2) approves the form of the transaction and (3) authorizes such purchase, lease, or ownership of, holding title to, or acquisition of the interest in the residential development; and

WHEREAS, on July 22, 2013, The NRP Group, LLC ("NRP") submitted its pre-application waiver for NRP to apply to the Dallas Housing Finance Corporation for; (1) the issuance of tax-exempt bonds by the Dallas Housing Finance Corporation in an amount not to exceed \$23 Million in Multi-family Housing Mortgage Revenue Bonds Series to finance the new construction of approximately 266 units of multi-family rental housing for families, (2) a resolution in support of the Texas Department of Housing and Community Affairs award of 4% Housing Tax Credits in the approximate amount of \$13,360,843 for the new construction of the Bruton Road Apartments to be located at 9415 Bruton Road, Dallas, Texas by providing appropriate waivers pursuant to §11.3 (2)(A-G) of the TDHCA's Qualified Allocation Plan and State of Texas H.B. 3361 which requires that (i) Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application; and (3) for the DHFC created entity to be the General Partner to share in the cash flow, own the ground/dirt and for the project to be exempt from ad valorem taxes; and

WHEREAS, on October 8, 2013, the DHFC authorized the NRP proposal to be considered by City Council to grant the waiver to allow NRP to submit its formal application to the DHFC for the proposal described herein and to authorize a public hearing to be held on December 11, 2013 to fulfill the pre-application requirements contained in H.B. 3361 effective September 1, 2013; and

WHEREAS, on November 12, 2013, the City Council authorized the Public Hearing on the Bruton Apartments to be held on December 11, 2013, and at the close of the public hearing, the consideration to authorize the final approval of the proposal including the tax exempt bonds to be issued by the DHFC in the amount of \$23 Million, the 4% tax credits in the approximate amount of \$13,360,843, the DHFC to be the General Partner to share in the cash flow to be used for mixed income developments as part of DHFC's public purposes, own the ground/dirt and for the project to be exempt from ad valorem taxes; the fulfillment of all of the requirements of H.B. 3361 including the language in the resolution contained herein stating that there was no objection to the proposed financing and ownership of the project; and

WHEREAS, the DHFC held the Tax Equity and Fiscal Responsibility (TEFRA) Hearing on December 5, 2013, prior to returning to City Council for its consideration of the application and the public hearing on December 11, 2013, and requests among other things, that the City Manager or the Mayor as the highest elected officials of the City of Dallas shall approve the issuance of the Bonds on behalf of the City of Dallas; and

WHEREAS, NRP submitted an application to the Texas Department of Housing and Community Affairs for a 4% housing tax credit after it received an inducement from the DHFC and a subsequent Bond Reservation from the Texas Bond Review Board; and

WHEREAS, as a condition for being considered for the award of the 4% housing tax credits, the Applicant has committed to renting 95% or (252) of the units to tenants whose household incomes are capped at 60% or below the Area Median Family Income (AMFI) at affordable rents and 5% or (14) of the units to tenants whose household incomes capped are at 50% or below the Area Median Family Income (AMFI) with rents affordable to tenants whose household incomes are 50% or below the AMFI in compliance with the maximum Low Income Housing Tax Credit rents as published by the Texas Department of Housing and Community Affairs; and

December 11, 2013

WHEREAS, the owner of the project will chose to either; (1) expend a minimum of \$40,000 in social services annually (\$200 per unit per year), whichever is greater, for and at no cost to the residents of the development, based on a survey of residents needs to include some or all of the following: tutoring and after-school programs; health screenings, family counseling/domestic crisis intervention, computer education, emergency assistance, vocational guidance, adult education programs (such as ESL, life skills, nutrition classes, etc.) and social services and recreational activities, to be implemented within three months of project completion and in-kind social services may count toward meeting 100% of the social service requirements or (2) implement the TDHCA's tenant services requirement, contained in the 2011 Qualified Allocation Plan, for tax-exempt bonds and 4% tax credit projects which requires the provision of supportive services. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided. The provision of these services will be included in the LURA. Acceptable services include those described in the Definitions and Amenities for Housing Program Activities; and

WHEREAS, in the Qualified Allocation Plan, Sec. 11.3 (A-G) Housing Deconcentration factors (b) Twice the State Average Per Capita. (§2306.6703(a)(4)) If the Development is located in a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the Certificate of Reservation is issued by the Texas Bond Review Board), the Applicant must obtain prior approval of the Development from the City of Dallas, Governing Body of the appropriate municipality or county containing the Development. Such approval must include a resolution adopted by the Governing Body of the municipality or county, as applicable, setting forth a written statement of support, referencing Texas Government Code, §2306.6703(a)(4), and authorizing an allocation of Housing Tax Credits for the Development; and the City of Dallas by vote has specifically allowed the construction of the new Development and submits to the Department a resolution referencing this rule; and

WHEREAS, to satisfy H.B. 3361, the City held a public hearing and approves this resolution that certifies that: (i) Notice has been provided to the City of Dallas in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The City of Dallas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The City of Dallas held this hearing at which public comment could be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the City of Dallas does not object to the proposed Application; and

WHEREAS, on October 21, 2013, the Housing Committee was briefed on the Bruton Road Apartment proposal; and subject to certain conditions being met, it is deemed necessary and advisable that this resolution be adopted to approve the application and take all actions necessary to carry out the transaction and hold the public hearing pursuant to State of Texas H.B. 3361.

NOW, THEREFORE,

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

Section 1. That the City of Dallas authorizes the City of Dallas Housing Finance Corporation (DHFC) to issue the tax-exempt bonds in the approximate amount of \$23 Million in accordance with the proposal for the development of the Bruton Apartments located at 9415 Bruton Road, including the acquisition of approximately 1.2 acres, 266 multi-family new construction housing units for families comprised of 6 one-bedroom units, 131 two-bedroom units and 129 three-bedroom units and the DHFC to become the General Partner to share in the cash flow to be used for mixed income developments as part of DHFC's public purposes, to own the ground/dirt and for the project to be exempt from ad valorem taxes.

Section 2. That after the public hearing; (1) the City of Dallas authorized the final approval of the Bruton Road Apartments, Ltd., an entity created by NRP, application to the DHFC for the issuance of tax-exempt bonds by the DHFC in an amount not to exceed \$23 Million in tax-exempt Multi-family Housing Mortgage Revenue Bonds Series and its support of the application for 4% housing tax credits in the approximate amount of \$13,360,843 pursuant to §11.3 (2)(A-G) Deconcentration Factors contained in TDHCA's Qualified Allocation Plan and (2) Certifies that the requirements of H.B. 3361 have been satisfied because (i) Notice has been provided to the City of Dallas in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The City of Dallas had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The City of Dallas held a hearing at which public comment could be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC §10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the City of Dallas does not object to the proposed Application that must be submitted no later than the Resolutions Delivery Date pursuant to §10.4 which is 14 days prior to the Board Meeting when TDHCA will consider the applicants proposal.

Section 3. That final approval of the project includes the requirement that the owner of the project chose to either; (1) expend a minimum of \$40,000 in social services annually (\$200 per unit per year), whichever is greater, for and at no cost to the residents of the development, based on a survey of residents needs to include some or all of the following: tutoring and after-school programs; health screenings, family counseling/domestic crisis intervention, computer education, emergency assistance, vocational guidance, adult education programs (such as ESL, life skills, nutrition classes, etc.) and social services and recreational activities, to be implemented within three months of project completion and in-kind social services may count toward meeting 100% of the social service requirements or (2) implement the TDHCA's tenant services requirement, contained in the 2011 Qualified Allocation Plan, for tax-exempt bonds and 4% tax credit projects which requires the provision of supportive services. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided. The provision of these services will be included in the Land Use Restriction Agreement (LURA). Acceptable services include those described in Definitions and Amenities for Housing Program Services.

Section 4. That all of the requirements contained in H.B. 3361 regarding Notification, Hearing and Resolution from the governing body of the Municipality have been satisfied with this resolution dated December 11, 2013, and that the opportunity for the public to ask questions and be provided answers at a public hearing by the City of Dallas held on December 11, 2013, after 30 days comment period from date of call of public hearing pursuant to City's Citizens Participation Plan; and after proper notice was placed in the Dallas Morning News on November 20, 2013.

Section 5. The DHFC processed the application and the necessary Tax Equity and Fiscal Responsibility (TEFRA) Hearing pursuant to Section 147 (f) of the Internal Revenue Code, after proper notice was placed in the DMN on November 20, 2013, was held on December 5, 2013, prior to returning to the City Council for its consideration of the application and to hold the public hearing on December 11, 2013 and request among other things, that the City Manager or the Mayor as the highest elected officials of the City of Dallas shall approve the issuance of the Bonds on behalf of the City of Dallas.

Section 6. That prior to receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas' Office of Sustainable Development and Construction with regard to security related design standards.

Section 7. 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.

APPROVED BY
CITY COUNCIL

DEC 11 2013


City Secretary