

Memorandum



CITY OF DALLAS

DATE October 21, 2025

Honorable Members of the Housing and Homelessness Solutions Committee: Cara Mendelsohn (Chair), Lorie Blair (Vice Chair), Adam Bazaldua, Zarin Gracey, Jesse Moreno, Jaime Resendez, Gay Willis

SUBJECT

November 12, 2025, City Council Agenda Item #25-2950A, #25-2969A and #25-2951A, #25-2968A, 2025 Program Year 4% LIHTC Resolutions of No Objection (RONO) and Tax Equity and Fiscal Responsibility Act (TEFRA) Approval for the Dallas Housing Finance Corporation (DHFC) projects known as Tabor Village, located at 6200 Baraboo Drive, Dallas, TX 75241, and Westmoreland Townhomes, located at 6600 South Westmoreland Road, Dallas, Texas 75228

The purpose of this memorandum is to brief the Housing and Homelessness Solutions Committee (HHSC) of upcoming agenda items for November 12, 2025, for two Dallas Housing Finance Corporation (DHFC) partnership projects, Tabor Village, located at 6200 Baraboo Drive, Dallas, TX 75241, and Westmoreland Townhomes, located at 6600 South Westmoreland Road, Dallas, Texas 75228. Two items will be included on the November 12, 2025, City Council agenda related to these developments: **(1)** a public hearing for 4% Non-Competitive Low Income Housing Tax Credit (LIHTC) applications approved for bond inducement in the 2025 program year by the Dallas Housing Finance Corporation (DHFC), and, at the close of the public hearing, authorize a Resolution of No Objection and **(2)** a resolution for approval by the City Council of the City of Dallas, to act as the applicable elected representative, as defined by Section 147(f)(2)(E) of the Internal Revenue Code of 1986, as amended (Code), for the issuance of multifamily residential mortgage revenue bonds (Bonds) issued by the Dallas Housing Finance Corporation (DHFC or Issuer) and also approving the application of the Texas Housing Finance Corporations Act, Chapter 394 of the Local Government Code (the Act), to the property on which the developments will be constructed, and authorizes the use of bond proceeds issued by DHFC under the Act to finance and construct the developments.

These applications were submitted later in the Texas Bond Review Board's lottery cycle, and these hearings are solely one step in the process of the LIHTC and Bond applications.

BACKGROUND

Under the 4% Low Income Housing Tax Credit (LIHTC) program, applications approved for inducement by the DHFC for bond approval are also required to obtain the following approvals from the City of Dallas:

- Resolution of No Objection (RONO): Applicants of the 4% LIHTC program are required by the Texas Department of Housing and Community Development (TDHCA) to obtain a RONO from the applicable governing body. The resolution must state that a public hearing was held. This resolution is solely for purposes of

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facilitating the tax credit application through the state process and does not commit the city to any financial liability.

- Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Approval: Section 147 (f) of the Internal Revenue Code requires that for the bonds to be tax exempt, the City of Dallas must approve the issuance of the bonds by the Issuer following a public hearing. The TEFRA hearing is a separate hearing that is publicly advertised and held. The resolution approving that the hearing took place is a requirement of the Texas Bond Review Board for bond issuance. The City of Dallas is not asked to issue bonds. The bonds will not be a debt, liability, or an obligation of the City, or the DHFC, nor will any of the their assets be pledged for payment of the bonds. The City's name will not appear on the bonds. The approval being requested is only for the purpose of complying with federal law and with regard to tax exempt debt for specific utilization in the state LIHTC program.

On April 12, 2023, the City Council adopted the Dallas Housing Policy 2033 (DHP33) by Resolution No. 23-0443, and the Dallas Housing Resource Catalog (DHRC) that includes the approved programs in support of Housing Tax Credits by Resolution No. 23-0444.

To receive a staff recommendation for a RONO, the applicant must meet all threshold and rehabilitation requirements and affirmatively further fair housing. TDHCA requires 4% Housing Tax Credit applicants to provide a RONO from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comments on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

Tabor Village

On February 11, 2025, the DHFC Board of Directors adopted a resolution declaring its intent to issue \$38,000,000.00 in private activity bonds for Tabor Village, located at 6200 Baraboo Drive, Dallas, Texas 75241 (Project), and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board. The Project received a bond reservation on July 28, 2025.

On September 9, 2025, the DHFC approved a Memorandum of Understanding (MOU) between the applicant and the DHFC for Tabor Village.

The applicant, Lincoln Avenue Capital, LLC, a Texas limited liability company, proposes to acquire the vacant land and construct 229 units, comprising 97 one-bedroom and 132 two-bedroom units. It will include community amenities consistent with TDHCA's required features. The town-home-style, single-story apartments for seniors (55+) will be built on 19.94 acres of land. All units will be reserved for households earning between 0% and 60% of the Area Median Income (AMI). Supportive services will be provided to residents

on-site, free of charge, in partnership with Community Housing Resource Partners, with a focus on services that best serve the needs of senior residents. Other amenities include, but are not limited to, a swimming pool, resident gardens, a dog park, a fitness center, in-unit laundry facilities, balconies/patios, and Energy Star Appliances. Total development costs are estimated to be approximately \$67,905,462.00, which includes the acquisition price for the land. The construction budget is estimated to be approximately \$44,188,028.57, which is \$192,960.82 per unit.

Proposed Financing Sources	Amount
Permanent Financing	\$35,590,000.00
Tax Credit Equity	\$23,576,028.00
Cash Flow During Construction	\$ 2,806,959.16
Reinvestment Proceeds	\$ 786,253.01
Deferred Developer Fee	\$ 5,146,121.64
GC Capital Contribution	\$ 100.00
Total	\$67,905,461.80

Proposed Uses	Amount
Land Acquisition	\$ 2,525,000.00
Construction Hard Costs	\$44,188,028.57
Project Soft Costs	\$ 2,228,500.00
Tax Credit Fees	\$ 292,762.11
Bond Costs	\$ 659,575.00
Equity Bridge Loan Costs & Reserve	\$ 1,956,245.48
Construction Loan Costs & Reserve	\$ 6,731,599.62
Permanent Loan Costs	\$ 110,000.00
Closing Costs	\$ 168,975.00
Escrows and Reserves	\$ 1,217,885.21
Developer Fee + LACCM Fee	\$ 7,826,890.81
Total	\$67,905,461.80

As provided for in Tex. Gov't Code § Gov't Code Sec. 2306.6703(a)(3), it is hereby acknowledged that the proposed Project is located within one mile of another housing tax credit development serving the same target population, which received an HTC allocation within the past three years. Therefore, the City Council, as the Governing Body, must vote to specifically approve the construction of the Project and authorize the allocation of Housing Tax Credits.

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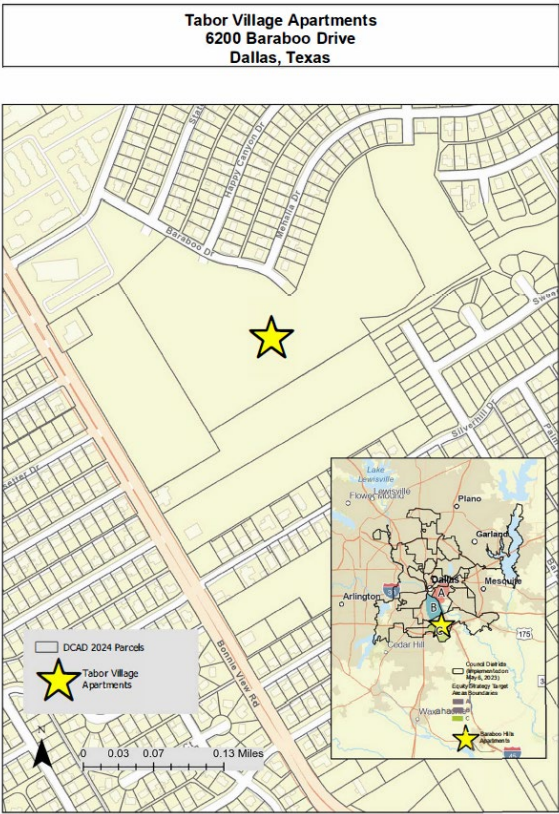
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This project is located in Council District 8. While the project is not located in a Racially/Ethnically Concentrated Area of Poverty (R/ECAP), it is situated in a census tract with a poverty rate of 35.8% and therefore, the City Council, as the Governing Body, must vote to specifically approve the construction of the Project and authorize the allocation of Housing Tax Credits.

This Project underwent a more comprehensive review by Fair Housing and staff from the Office of Housing & Community Empowerment, due to its location within a high-poverty census tract. In collaboration with the developer, the project scope has been expanded to include market-rate units, which are expected to attract a more economically diverse population to the area. Additionally, the development is specifically targeted to serve senior residents. Based on these key considerations, promoting mixed-income housing and addressing the needs of seniors, staff recommends supporting Tabor Village.

Project Location:



Westmoreland Townhomes

On October 10, 2023, the DHFC Board of Directors adopted a resolution declaring its intent to issue \$40,000,000.00 in private activity bonds for Westmoreland Townhomes,

located at 6600 South Westmoreland Road, Dallas, Texas 75228, and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board. The Project received a bond reservation on June 24, 2025.

On September 9, 2025, the DHFC approved a Memorandum of Understanding (MOU) between the applicant and the DHFC for Tabor Village.

The applicant, Lincoln Avenue Capital, LLC, a Texas limited liability company, proposes a new construction project of 216 units, which will include a mix of one- and two-bedroom rental townhomes for seniors (55+) earning up to 60% of the Area Median income (AMI). The site is designed as a build-to-rent product which includes 108 duplex-style one-story townhomes with off-street parking, front porches, and backyards on 27 acres, which will be constructed to look and feel like a neighborhood subdivision. Community amenities will include a business center, clubhouse, fitness center, salon, theater room, swimming pool, elevator service, gated access, on-site laundry facility, barbecue, and picnic area. Residents have public transportation access to downtown, utilizing the stop of the DART bus, which is within walking distance from the Property. Total development costs are estimated to be approximately \$74,169,659.59, which includes the acquisition price for the land. The construction budget is estimated to be approximately \$48,100,650.44, which is \$222,688.20 per unit.

Proposed Financing Sources	Amount
Permanent Financing	\$33,960,000.00
Tax Credit Equity	\$27,527,841.00
Cash Flow During Construction	\$ 2,748,850.69
Reinvestment Proceeds	\$ 973,750.42
Sales Tax Rebate	\$ 930,000.00
Deferred Developer Fee	\$ 8,029,117.47
GC Capital Contribution	\$ 100.00
Total	\$74,169,659.59

Proposed Uses	Amount
Land Acquisition	\$ 4,425,000.00
Construction Hard Costs	\$48,100,650.44
Project Soft Costs	\$ 2,146,670.00
Tax Credit Fees	\$ 325,842.60
Bond Costs	\$ 681,330.00
Equity Bridge Loan Costs & Reserve	\$ 1,966,001.70
Construction Loan Costs & Reserve	\$ 7,149,679.74

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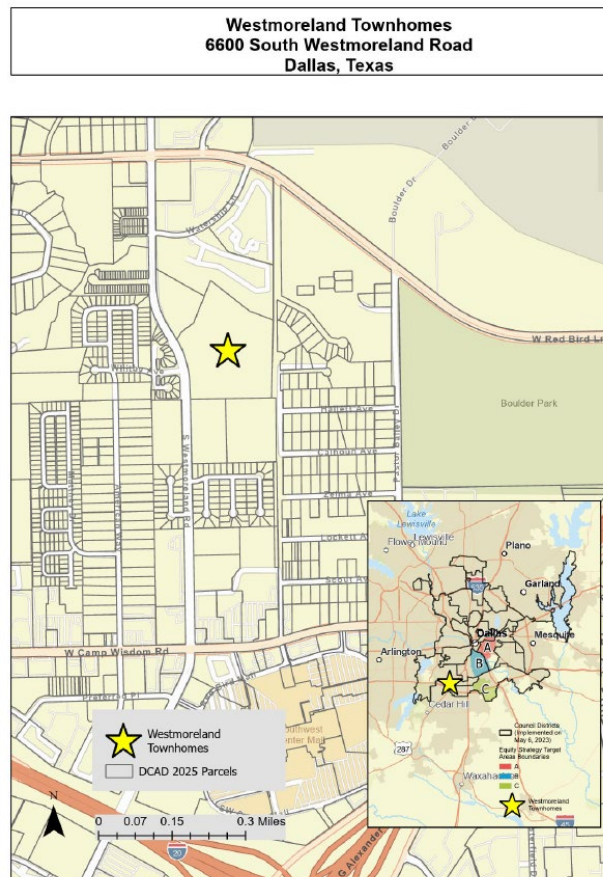
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Permanent Loan Costs	\$ 110,000.00
Closing Costs	\$ 164,900.00
Escrows and Reserves	\$ 1,046,328.52
Developer Fee + LACCM Fee	\$ 8,053,256.58
Total	\$74,169,659.59

As provided for in Tex. Admin. Code § 11.3(e), it is hereby acknowledged that the proposed Project is located in a census tract where more than 20% of the total housing units are supported by Housing Tax Credits. Therefore, the City Council, as the Governing Body, must vote to specifically approve the construction of the Project and authorize the allocation of Housing Tax Credits through a Resolution of No Objection (RONO).

This project is located in Council District 3, and the poverty rate is 14.2% in the census tract where the proposed development is located. Staff recommends support for Westmoreland Townhomes.

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Should you have any questions or need any additional information, please contact myself or Thor Erickson, Director, Office of Housing and Community Empowerment, at 214-670-3632 or Thor.Erickson@dallas.gov.

Service First, Now!



Liz Cedillo-Pereira,
Assistant City Manager

c: Kimberly Bizzor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors