



Legislation Text

File #: 24-1485, Version: 1

STRATEGIC PRIORITY: Economic Development
AGENDA DATE: May 22, 2024
COUNCIL DISTRICT(S): 2
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Robin Bentley

SUBJECT

Authorize **(1)** the approval of 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), of the issuance of multifamily residential mortgage revenue bonds (Bonds) issued by the City of Dallas Housing Finance Corporation (DHFC or Issuer) in one or more series of tax-exempt bonds in an amount not to exceed \$30,000,000.00; proceeds of the Bonds will be loaned to Generation Housing Partners, LLC or its affiliates, TX Tenison 2024, Ltd., (collectively referred to as the Borrower) to finance a portion of the cost of the renovation of units for an affordable multifamily complex to be known as Tenison Lofts and located at 3500-3632 Samuell Boulevard, Dallas, Texas, 75223 (Development); and **(2)** the approval of the application of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code (Act), to the property on which the Development will be constructed and the use of proceeds of the bonds issued by the DHFC pursuant to the Act to finance and construct the Development; a public hearing with respect to the Bonds and the Development was held on April 18, 2024 after reasonable public notice was published in a newspaper of general circulation in the City of Dallas all in compliance with Section 147(f) of the Code - Financing: No cost consideration to the City

BACKGROUND

Generation Housing Partners, LLC or its affiliates, TX Tenison 2024, Ltd., (collectively referred to as the Borrower) proposes the DHFC or its affiliate (DHFC) acquire the property at 3500-3632 Samuell Boulevard and subsequently enter into a long-term lease for the Development. The Development will consist of 164 newly constructed units. The 164 units are comprised of 24 one-bedroom units, 76 two-bedroom units, and 64 three-bedroom units. The units will include nine-foot ceilings, granite countertops, faux wood flooring, Low-E thermal windows, low flow fixtures, ample storage, open floor plans, washer/dryer hook ups, and Energy Star Appliances. Tenison Lofts will be a 164-unit, Class A workforce housing revitalization project located in Dallas, Texas. Community amenities will include a state-of-the-art fitness center, community room, resort style pool, and computer learning center. The existing property(s) consists of a commercial strip center, with several existing businesses and associated parking. The intent of Generation Housing is to remove all existing buildings/structure and redevelop the property with a Class-A, new construction, mixed-income residential development.

The Borrower will also work with the Office of Integrated Public Safety Solutions for security input/upgrades, community activities, and incorporate best practices of Crime Prevention Through Environmental Design. Additionally, the Applicant will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

The Borrower proposes to provide on-site resident services including:

1. Health wellness;
2. Free after school programs;
3. Financial literacy classes;
4. Homeownership classes; and
5. Community Activities.

On September 12, 2023, the DHFC authorized an inducement in an amount not to exceed \$30,000,000.00. On October 19, 2023, DHFC submitted an application for the allocation of \$30,000,000.00 in private activity bonds to the Texas Bond Review Board (TBRB). The DHFC is awaiting the bond reservation.

Since the Development is located within the City of Dallas, Section 147 (f) of the Internal Revenue Code requires that in order for the bonds to be tax exempt, the City Council, the applicable elected representative of the City of Dallas, must approve the issuance of the bonds by the Issuer following a public hearing. The City of Dallas is not asked to issue bonds. The bonds shall not be a debt, liability, or an obligation of the City nor shall any of the City's 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.

The Tax Equity and Fiscal Responsibility Act ("TEFRA") hearing notice was published in the *Dallas Morning News* on April 10, 2024. On April 18, 2024, the public hearing was held with no outside participants in attendance, and thus, no comments made. Under applicable federal income tax law, the TEFRA approval may only be valid for a one-year term. It is anticipated that the tax-exempt bonds to fund a portion of the costs for the Development will close on or about June 2024.

The Texas Housing Finance Corporations Act, Chapter 394 of the Texas Local Government Code requires that the City of Dallas approve the issuance of bonds by the DHFC and their use to finance the construction and development of affordable housing.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 12, 2023, the DHFC authorized an inducement in an amount not to exceed \$30,000,000.00.

On February 14, 2024, following a public hearing, City Council adopted a Resolution of No Objection related to the Development and Borrower's 4% Non-Competitive Low Income Housing Tax Credits application to TDHCA, by Resolution No. 24-0290.

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this item on May 17, 2024. <https://dallascityhall.com/government/citymanager/Documents/FY23-24%](https://dallascityhall.com/government/citymanager/Documents/FY23-24%20Annual%20Budget%20Request%20Book%20Final%2020240214.pdf)

[20Memos/COD%20Friday%20Memo%20-%20TEFRA%20Items_CRE051324%20Final%20signed%20by%20RB.pdf>](#)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached