



Legislation Text

File #: 23-2612, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: October 25, 2023
COUNCIL DISTRICT(S): 7
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

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 \$25,000,000.00; proceeds of the Bonds will be loaned to TX Ferguson 2022, LTD to finance a portion of the cost of the renovation of units for an affordable multifamily complex to be known as Estates at Ferguson and located at 9220 Ferguson Road, Dallas, Texas (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 September 14, 2023, 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

TX Ferguson 2022, LTD (Developer) proposes the DHFC or its affiliate (DHFC) acquire the property at 9220 Ferguson Road and subsequently enter into a long-term lease for the Development. The senior living multifamily Development will consist of 164 newly constructed units. The 164 units are comprised of 99 one-bedroom and 65 two-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The development will provide an abundance of amenities for residents, which will include barbeque grills, a resort-style Americans with Disabilities Act compliant swimming pool, community event center, theater room, business center, outdoor community garden, salon space, and a furnished fitness center. Also included will be a leasing area for the full-time staff as well as a maintenance room.

Generational Housing Partners (GHP) will work with the Office of Innovative Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention through Environmental Design. Additionally, GHP 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 Applicant proposes to provide on-site resident services including:

1. four hours per week of organized on-site classes for adults;
2. Annual income tax preparation;
3. Annual health fair and flu shots;
4. Weekly exercise class;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month; and
8. Weekly home chore and quarterly preventative maintenance for elderly or disabled tenants;
9. Part-time resident services coordinator (min 15 hrs./week).

On September 13, 2022, the DHFC authorized an inducement in an amount not to exceed \$25,000,000.00. An application for the allocation of \$25,000,000.00 in private activity bonds was submitted to the Texas Bond Review Board (“TBRB”) and a bond reservation was received on June 29, 2023.

Since the Development is located within the City of Dallas, the 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 September 5, 2023. On September 14, 2023, 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 December 15, 2023.

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 13, 2022, the DHFC Board authorized an inducement in an amount not to exceed \$25,000,000.00.

On November 9, 2022, the City Council held a public hearing and following the public hearing, adopted a Resolution of No Objection related to the Development and Developer's 4% Non-Competitive Low Income Housing Tax Credits application to TDHCA by Resolution No. 22-1668.

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on September 19, 2023. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=12303912&GUID=0E354326-EDC5-4DD1-AA95-6A36F2B3B6CE>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=12303912&GUID=0E354326-EDC5-4DD1-AA95-6A36F2B3B6CE)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached