



Legislation Details (With Text)

File #:	22-712	Version:	1	Name:	
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File created:	3/14/2022	In control:		Department of Housing & Neighborhood Revitalization	
On agenda:	5/25/2022	Final action:			
Title:	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 S Zang, LP to finance a portion of the cost for the new construction of units for an affordable multifamily complex to be known as Highpoint at Wynnewood and located at 1911 Pratt Street, Dallas, Texas 75224 (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 March 14, 2022 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				
Sponsors:					
Indexes:	1				
Code sections:					
Attachments:	1. Map, 2. Resolution				

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: May 25, 2022

COUNCIL DISTRICT(S): 1

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 \$30,000,000.00; proceeds of the Bonds will be loaned to S Zang, LP to finance a portion of the cost for the new construction of units for an affordable multifamily complex to be known as Highpoint at Wynnewood and located at 1911 Pratt Street, Dallas, Texas

75224 (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 March 14, 2022 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

S Zang, LP (Developer) proposes the Dallas Housing Finance Corporation (DHFC) or its affiliate to acquire the site located at 1911 Pratt Street and subsequently enter into a long-term lease for the Development. The Development includes construction of 220 new affordable units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other Texas Department of Housing & Community Affairs (TDHCA) required features. Planned amenities feature a swimming pool, fitness center, business center, and on-site offices.

Developer proposes to provide on-site resident services including:

1. 12 hours per week of after school tutoring;
2. 4 hours per week of adult financial literacy courses;
3. Annual income tax preparation;
4. Career training and placement services;
5. Food pantry accessible to residents;
6. Annual health fair and flu shots;
7. Notary services;
8. Arts and crafts programming twice a month; and
9. Organized social gatherings twice a month
10. Case management for elderly, disabled, or special needs tenants;
11. Weekly home chore and quarterly preventative maintenance for elderly or disabled tenants;
12. Social Security Act Title IV-A programming;
13. Part time resident services coordinator.

On September 14, 2021, the DHFC authorized an inducement in an amount not to exceed \$30,000,000.00. An application for the allocation of \$30,000,000.00 in private activity bonds was submitted to the Texas Bond Review Board (TBRB) and a bond reservation was received in January 2022.

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 was published in the *Dallas Morning News* on March 7, 2022. On March 14, 2022, 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 is only valid for a one-year term. Therefore, the public hearing for the Development has a validity date through March 14, 2023. It is anticipated that the tax-exempt bonds to fund a portion of the costs for the Development will close on or about June 30, 2022.

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 14, 2021, the DHFC authorized an inducement in an amount not to exceed \$30,000,000.00. On February 8, 2022, the DHFC also authorized (1) the negotiation of a master agreement with MVAH Development, LLC, (2) an ownership interest as the general partner of S Zang, LP, (3) serving as the co-developer of the project, (4) the acquisition of the land, and (5) entering into a long-term ground lease with S Zang, LP.

On December 8, 2021, following a public hearing, City Council 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. 21-2047.

[The Housing and Homelessness Solutions Committee was briefed regarding this matter on April 25, 2022. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=10833925&GUID=47576CE9-C2EE-4AE7-BA50-C3F85A0BA393>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=10833925&GUID=47576CE9-C2EE-4AE7-BA50-C3F85A0BA393)

FISCAL INFORMATION

No cost consideration to the City.

MAP

Attached