



Legislation Text

File #: 19-1299, **Version:** 1

STRATEGIC PRIORITY: Economic and Neighborhood Vitality
AGENDA DATE: September 25, 2019
COUNCIL DISTRICT(S): 9
DEPARTMENT: Office of Economic Development
EXECUTIVE: Michael Mendoza

SUBJECT

Authorize approval of the City Council of the City of Dallas, acting 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 revenue bonds ("Bonds") to be issued by the City of Dallas Housing Finance Corporation ("Issuer" or "DHFC") in one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$25,000,000.00; proceeds of the Bonds will be loaned to TX Casa View 2018, Ltd. ("TCV") to finance a portion of the cost of the acquisition of land, rehabilitation of existing units, and new construction of units and related facilities for a mixed-income multifamily complex for seniors to be known as the Estates of Shiloh and located at 2649 Centerville Road, Dallas, Texas ("Development"); a public hearing with respect to the Bonds and the Development was held on September 10, 2019, 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

TCV proposes to acquire land located at 2649 Centerville Road, a portion of which has existing improvements. The Development includes rehabilitation of all 40 existing units and construction of 224 new units for seniors to be located at 2649 Centerville Road and to be known as the Estates at Shiloh. The 264 units will be dispersed equitably by bedroom size and amongst income bands throughout the Development. The proposed Development will have 4-three story buildings with ventilated corridors and accessible elevators. Planned amenities include renovation of the existing 9,000 square foot community center, a swimming pool, a community garden, landscaping and lighted sidewalks connecting buildings, and a dog park.

On January 25, 2019, the Issuer authorized an inducement in an amount not to exceed \$20,000,000.00. Supplemental inducements were authorized by the Issuer on June 11, 2019, to increase the amount to \$23,000,000.00 and on August 13, 2019, in an amount not to exceed \$25,000,000.00 due to increases in construction costs for the Development.

An application for the allocation of \$20,000,000.00 in private activity bonds was submitted to the Texas Bond Review Board ("TBRB") and a reservation was received on July 31, 2019. However, the reservation was withdrawn, and a new application was submitted to TBRB on August 15, 2019, for \$25,000,000.00.

Since the Development is located within the City of Dallas, Section 147(f) of the Code requires that an applicable elected representative of the City of Dallas must approve the issuance of the Bonds by the Issuer following a public hearing for which reasonable public notice was given. The City of Dallas is not asked to issue the 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 income tax law relating to the issuance of tax-exempt obligations.

Notice of a public hearing was published in the Dallas Morning News on August 22, 2019. On September 10, 2019, the public hearing was held with no outside participants in attendance, and thus, no comments made. Under applicable federal income tax law, the public approval for the Development will be valid for one year from the date of approval (i.e. through September 24, 2020). It is anticipated that the Bonds will close on or about November 5, 2019.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 25, 2019, the DHFC Board of Directors approved owning the land, entering into a long-term ground lease, and taking an ownership interest in TCV and an inducement of multifamily mortgage revenue bonds.

On February 19, 2019, the Economic Development and Housing Committee was briefed on the development loan agreement with TCV and approved moving forward to Council for consideration.

On February 27, 2019, following a public hearing, City Council authorized (1) a Resolution of No Objection related to TCV's application to Texas Department of Housing and Community Affairs' 2019 4% Non-Competitive Housing Tax Credits; (2) a development loan agreement with TCV or an affiliate thereof in an amount not to exceed \$3,801,000.00 in Community Development Block Grant Funds (CDBG) conditioned upon TCV receiving a 2019 4% Housing Tax Credit award; (3) a conditional grant agreement with TCV or an affiliate thereof for the development of a mixed-income multifamily residential development to be located at 2649 Centerville Road in an amount not to exceed \$199,000.00 in 2012 General Obligation Bond Funds; and (4) the City of Dallas Housing Finance Corporation to purchase and own the land and to enter into a long-term ground lease with TCV, and take an ownership interest in TCV by Resolution No. 19-0387.

On June 11, 2019, the DHFC Board of Directors authorized a supplemental inducement of multifamily mortgage revenue bonds in an amount not to exceed \$23,000,000.00.

On June 12, 2019, City Council authorized a first amendment to Resolution No. 19-0387, previously approved on February 27, 2019, for a mixed-income multifamily complex for seniors to be located at 2649 Centerville Road to: (1) amend the funding source for the development loan amount with TCV from \$3,801,000.00 in CDBG funds to \$1,620,154.00.00 in CDBG funds and \$2,180,846.00 in HOME Investment Partnership Program funds; and (2) allow the closing of the TCV grant/loan to occur prior to closing on the equity and all other financing for the development by Resolution No. 19-0945.

On August 13, 2019, the DHFC Board of Directors authorized a supplemental inducement of multifamily mortgage revenue bonds in an amount not to exceed \$25,000,000.00.

City Council was briefed by memorandum regarding this matter on September 13, 2019.

FISCAL INFORMATION

No cost consideration to the City.

OWNER/DEVELOPER

TX Casa View 2018, Ltd.

TX Casa View 2018 GP, LLC is the general partner, a formed entity with Generation Housing Partners, LLC ("GHP") and Hill Tide Development, LLC ("HTD") as members. (City of Dallas Housing Finance Corporation will be admitted as the sole member of the GP)

GHP and HTD will serve as the Developer

Adrian Iglesias, President of GHP

Chris Applequist, Vice-President of GHP

MAP

Attached