

WHEREAS, the Housing Authority of the City of Dallas (DHA) is a body politic and corporate, established in 1938 to, in part, provide housing opportunities for low-income persons; and

WHEREAS, Housing Options, Inc. (the "Issuer") has been organized by the Housing Authority of the City of Dallas, Texas as a public facilities corporation pursuant to Chapter 303, Local Government Code, as amended (the "Act"), and is empowered under the Act to issue its revenue bonds to finance public facilities, including multi-family residential rental units; and

WHEREAS, the Issuer proposes to issue the following bond issue (the "Bonds") to finance the following project:

\$37,000,000 Housing Options, Inc., Multi-family Mortgage Revenue Bonds (Kings Parc I, L.P. Project) Series 2014 to finance 366 residential units to be constructed on the site located at 2741 Hawthorne, Dallas, Texas; and

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that the governing body or the chief elected executive official of the governmental unit in which the projects are located approve the issuance of the Bonds after a public hearing following reasonable public notice thereof; and

WHEREAS, the Issuer held a public hearing on March 17, 2014, with respect to the Bonds following publication of reasonable public notice thereof in a newspaper of general circulation within the city of Dallas; and

WHEREAS, it is intended that the Mayor, as the highest elected official of the City of Dallas, shall approve the issuance of the Bonds on behalf of the City of Dallas after the aforementioned hearing; and

WHEREAS, the Fairmount Crossing Apartments project is an integral component of the Dallas Housing Authority's 2014 redevelopment of the demolished Cedar Springs Place Addition development; and

WHEREAS, on January 23, 2014, the Texas Bond Review Board issued a Bond Reservation to Housing Options, Inc., an issuing entity controlled by the Dallas Housing Authority (DHA), for the Fairmount Crossing Project, a proposed 366 unit new development project for families, in the amount of \$37,000,000 carry forward reservation under Section 1372.068, Priority 6 Carryforward Classification; and

WHEREAS, DHA will file a 4% tax credit application with the Texas Department of Housing and Community Affairs (TDHCA) on or before June 23, 2014, pursuant to its 2014 Qualified Allocation Plan (QAP) for the 2014 4% low income housing tax credits (LIHTC); and

WHEREAS, under the TDHCA rules in the 2014 Qualified Allocation Plan and Rules (QAP), if the development is located in a municipality that has more than twice the State average of units per capita supported by LIHTC or private activity bonds, the applicant must obtain prior approval of the development from the governing body of the municipality; and

WHEREAS, on April 25, 2014, the Dallas Housing Authority (DHA) submitted its pre-application waiver for: (1) the issuance of tax-exempt bonds by the HOI in an amount not to exceed \$37 Million in Multi-family Housing Mortgage Revenue Bonds Series to finance the new construction of approximately 366 units of multi-family rental housing for families, (2) a resolution in support of the Texas Department of Housing and Community Affairs award of 4% Housing Tax Credits in the approximate amount of \$16,944,690 for the new construction of the Fairmount Crossing Apartments, a proposed multi-family community comprised of 366 units for families, located at 2741 Hawthorne Avenue, Dallas, Texas 75219, Dallas, Texas by providing appropriate waivers pursuant to §11.3 (A-F) of the TDHCA's Qualified Allocation Plan and State of Texas H.B. 3361 which requires that (i) Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application; and

WHEREAS, as a condition for being considered for the award of the 4% tax credits, the Applicant has committed to renting 364 units (99%) to tenants with household incomes capped at 60% or below the area median family income (AMFI) with rents affordable to tenants whose household incomes are 60% or below the AMFI incomes in compliance with the maximum Low Income Housing Tax Credit rents as published by the Texas Department of Housing and Community Affairs; and

WHEREAS, in the Qualified Allocation Plan, Sec. 11.3 (A-G) Housing Deconcentration factors (b) Twice the State Average Per Capita. (§2306.6703(a)(4)) If the Development is located in a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the Certificate of Reservation is issued by the Texas Bond Review Board), the Applicant must obtain prior approval of the Development from the City of Dallas, Governing Body of the appropriate municipality or county containing the Development. Since the City of Dallas can exceed the twice the state per average at any time, it has been determined that such approval must include a resolution adopted by the Governing Body of the municipality or county, as applicable, setting forth a written statement of support, referencing Texas Government Code, §2306.6703(a)(4), and authorizing an allocation of Housing Tax Credits for the Development; and the City of Dallas by vote has specifically allowed the construction of the new Development and submits to the Department a resolution referencing this rule; and

WHEREAS, on May 5, 2014, a briefing memo was sent to the Housing Committee on the Fairmount Crossing Apartments.

WHEREAS, on May 14, 2014, City Council authorized the Public Hearing on the Fairmount Crossing Apartments to be held on June 25, 2014, and at the close of the public hearing, the consideration to authorize the final approval of the proposal including the tax exempt bonds to be issued by the HOI in the amount of \$37 Million, the 4% tax credits in the approximate amount of \$16,944,690.

WHEREAS, to satisfy H.B. 3361, the City held the public hearing and approves this resolution that certifies that: (i) Notice has been provided to the City of Dallas in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The City of Dallas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The City of Dallas held this hearing at which public comment could be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the City of Dallas does not object to the proposed Application; and

WHEREAS, the City of Dallas supports the Fairmount Crossing Apartments redevelopment project and desires to support the development of this housing, subject to certain conditions being met and it is deemed necessary and advisable that this resolution be adopted.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the Mayor, upon his satisfaction that the aforementioned hearing has been duly held, is hereby authorized to execute a certificate approving the issuance of the bonds not to exceed \$37 Million by Housing Options, Inc. Multi-family Housing Mortgage Revenue Bonds (Fairmount Crossing Project Series 2014).

Section 2. That after the public hearing **(1)** the City of Dallas authorized the final approval of the tax exempt bonds in the approximate amount of \$37 Million to be issued by Housing Options, Inc. (HOI), an agency created by The Housing Authority of the city of Dallas, Texas, in the amount of \$37 Million in Multi-family Housing Mortgage Revenue Bonds Series 2014 to finance the new construction of 366 units for families by Kings Parc I, L. P., referred to as the Fairmount Crossing Apartments and its support of 4% tax credit application with Texas Department of Housing and Community Affairs (TDHCA) in the approximate amount of \$16,944,690 for the Fairmount Crossing Apartments, for the proposed multi-family community comprised of 366 units for families, located at 2741 Hawthorne Avenue, Dallas, Texas 75219 pursuant to §11.3(A-F) of the 2014 Qualified Allocation Plan (QAP) regarding Housing Deconcentration Factors; and **(2)** Certifies that the requirements of H.B. 3361 have been satisfied because (i) Notice has been provided to the City of Dallas in accordance with Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A); (ii) The City of Dallas had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; (iii) The City of Dallas held a hearing at which public comment could be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B); and (iv) After due consideration of the information provided by the Applicant and public comment, the City of Dallas does not object to the proposed Application that must be submitted no later than the Resolutions Delivery Date pursuant to §10.4 which is 14 days prior to the Board Meeting when TDHCA will consider the applicants proposal.

Section 3. That the City of Dallas authorizes the final approval for new construction of the Fairmount Crossing Apartments development proposed as 366 multi-family housing units comprised of 141 one-bedroom units, 183 two-bedroom units and 42 three-bedroom units for a total of 366 units located at 2741 Hawthorne, Dallas, Texas by Kings Parc I, L.P.

Section 4. That prior to receiving a conditional City of Dallas building permit required by TDHCA prior to closing on the tax credits, the Project Developer will consult with the City of Dallas Office of Development Services with regard to security related design standards.

Section 5. That in recognition of the City's cooperative relationship with the Dallas Housing Authority in the Cedar Springs Place Addition and neighborhood development, which includes Fairmount Crossing, the City shall waive the annual monitoring review fee in the amount of \$500.

Section 6. That the approval of the City is provided for the purpose of satisfying the conditions and requirements of section 147(f) of the Code and is not to be construed as an undertaking by the City of Dallas. The Bonds shall not constitute a liability, an indebtedness, or obligation of the City of Dallas nor shall any of the assets of the City of Dallas be pledged to the payment of the Bonds. The Bonds shall specifically provide that the Bonds are not a debt of the City of Dallas, Dallas County and the State of Texas and that the City of Dallas, Dallas County and State of Texas are not liable with respect to the Bonds.

Section 7. That the City Manager is authorized to convey a copy of this resolution to the Applicant and the TDHCA with a written statement of support by the City Council referencing by conducting a Public Hearing pursuant to Texas Government Code, §2306.67071(a) and 10 TAC §10.204(4)(A), Texas Government Code, §2306.67071(b) and 10 TAC§10.204(4)(B) and pursuant to §11.3 (A-F) of the 2014 Qualified Allocation Plan (QAP) regarding Housing Deconcentration Factors for compliance with the Texas Department of Housing and Community Affairs (TDHCA) 2014 Qualified Allocation Plan and contingent upon the developer assuming relocation costs, if any, associated with the development costs.

Section 8. That it is RESOLVED, that as provided for in 10 Texas Administrative Code Sec. 11.3(b), it is expressly acknowledged and confirmed that the City of Dallas could at any time have more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds; and

Section 9. That it is FURTHER RESOLVED, (1) that the City of Dallas supports the Fairmount Crossing Apartment Project and confirms that its governing body has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to Texas Government Code Sec. 2306.6703(A)(4), and in accordance with Texas Government Code Sec. 2306.67671(a) that notice was provided to the City of Dallas and Texas Government Code Sec. 2306.67071(b) and Texas Administrative Code Sec. 10.204(4) confirming that a public hearing has been held and that a resolution of no objection was granted. This formal action was taken to put on record the support expressed by the City of Dallas on June 25, 2014.

June 25, 2014

Section 10. That it is FURTHER RESOLVED that the project site could be subject to the greater than 20% HTC Units per Households in Census Tract Rule applicable to projects that are new construction contained in the 2014 Qualified Allocation Plan ("QAP"), if the project does not get an approval from TDHCA prior to the 2013 QAP deadline, therefore a waiver of this requirement is granted and the City of Dallas confirms that it has voted specifically to allow the new construction of this development and has authorized an allocation of Housing Tax Credits for the Development.

Section 11. That it is FURTHER RESOLVED that for and on behalf of the Governing Body, the Mayor or the City Manager, are hereby authorized, empowered and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

Section 12. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

JUN 25 2014

Eric C. Lewis
City Secretary