

**WHEREAS**, on April 25, 1984, the City of Dallas (City) authorized the creation of the City of Dallas Housing Finance Corporation (DHFC) as a Texas non-profit corporation, pursuant to the Texas Housing Finance Corporation Act, Chapter 394, Local Government Code, V.T.C.A., as amended (the Act), to act on behalf of the City in carrying out the public purpose of the Act; and

**WHEREAS**, the DHFC is authorized by the Act to issue its revenue bonds on behalf of the City for the purpose of providing funding for the housing development for persons of low and moderate income to be located in the City; and

**WHEREAS**, pursuant to Resolution No. 06-0136, City Council decided for a 12 month period beginning on January 11, 2006 not to approve any new tax credit transactions unless a pre-application waiver is granted by the City Council; and

**WHEREAS**, pursuant to Resolution No. 07-0733, Section 1.2 of the Bylaws was amended to allow the DHFC to purchase, lease, own, hold title to, or otherwise acquire an interest in a residential development, directly or indirectly through a subsidiary of the DHFC, provided that the City Council, by resolution, prior to the transaction being consummated by the DHFC, (1) finds and determines that such transaction should be undertaken, (2) approves the form of the transaction and (3) authorizes such purchase, lease, or ownership of, holding title to, or acquisition of the interest in the residential development; and

**WHEREAS**, on May 23, 2014, Norstar submitted its application for the Fountains of Rosemeade, contingent on City Council approval on May 28, 2014, to the DHFC for; (1) the issuance of tax exempt bonds by the DHFC in an amount not to exceed \$18,000,000 in Multi-family Housing Mortgage Revenue Bonds Series to finance the acquisition and rehabilitation of 382 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 \$8,156,389 for the acquisition and rehabilitation of the Fountains of Rosemeade Apartments to be located at 3440 East Rosemeade Parkway, Dallas, Texas by providing appropriate waivers pursuant to §11.3 (2)(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**, on May 15, 2014, the DHFC authorized the Norstar proposal to be considered by City Council to grant the waiver to allow Norstar to submit its formal application to the DHFC for the proposal described herein and to authorize a public hearing to be held on June 25, 2014 to fulfill the pre-application requirements contained in H.B. 3361 effective September 1, 2013; and

**WHEREAS**, on May 28, 2014, City Council approved a Public Hearing on the Fountains of Rosemeade 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 DHFC in the amount of \$18,000,000, the 4% tax credits in the approximate amount of \$8,156,389, and the fulfillment of all of the requirements of H.B. 3361 including the language in the resolution contained herein stating that there was no objection to the proposed financing and ownership of the project; and

**WHEREAS**, as a condition for being considered for the award of the 4% housing tax credits, the Applicant has committed to renting 100% or (382) of the units to tenants whose household incomes are 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 in compliance with the maximum Low Income Housing Tax Credit rents as published by the Texas Department of Housing and Community Affairs; and

**WHEREAS**, on May 19, 2014, the Housing Committee was briefed on the Fountains of Rosemeade Apartment proposal; and subject to certain conditions being met, it is deemed necessary and advisable that this resolution be adopted to approve the application and take all actions necessary to carry out the transaction and hold the public hearing pursuant to State of Texas H.B. 3361; and

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

\$18,000,000, City of Dallas Housing Finance Corporation, Multi-family Housing Mortgage Revenue Bonds (Fountains of Rosemeade Project) Series 2014 to rehabilitate the 382 residential units for families on the site located at 3440 East Rosemeade Parkway, 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 DHFC held a public hearing, the Tax, Equity and Fiscal Responsibility hearing with respect to the Bonds on June 19, 2014, following publication of reasonable public notice thereof in a newspaper of general circulation within the city of Dallas; and

**WHEREAS**, in June, 2014, the applicant requested that the Texas Bond Review Board issue a Bond Reservation to the DHFC for the Fountains of Rosemeade Project, a proposed 382 unit existing development project for families, in the amount of \$18,000,000; and

**WHEREAS**, Norstar will file a 4% tax credit application with the Texas Department of Housing and Community Affairs (TDHCA) on June 23, 2014, pursuant to its 2014 Qualified Allocation Plan (QAP) for 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**, a public hearing was held on June 25, 2014, to receive comments concerning the application with The Texas Department of Housing and Community Development (TDHCA) for 4% tax credits in the approximate amount of \$8,156,389 Million with tax exempt bonds in the approximate amount of \$18,000,000 to be issued by DHFC for the Fountains of Rosemeade Apartments, an existing multi-family community comprised of 382 units for families, located at 3440 East Rosemeade Parkway, Dallas, Texas 75007 (2) the issuance of tax exempt bonds by DHFC in the approximate amount of \$18,000,000 in Multi-family Housing Mortgage Revenue Bonds Series 2014 to finance the acquisition and rehabilitation of 382 units for families by Norstar referred to as the Fountains of Rosemeade; and, (3) a resolution in support of the Texas Department of Housing and Community Affairs award of Low Income Housing Tax Credits for the acquisition and rehabilitation of the existing Fountains of Rosemeade housing development located at 3440 East Rosemeade Parkway, Dallas, Texas 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.; and

**WHEREAS**, as a condition of being considered for the award of the 4% tax credits, the Applicant has committed to renting 382 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 2 units for maintenance and management personnel; and

**WHEREAS**, the owner of the project will expend a minimum of \$40,000 in social services annually (\$200 per unit per year), whichever is greater, for and at no cost to the residents of the development, based on a survey of residents needs to include some or all of the following: tutoring and after-school programs; health screenings, family counseling/domestic crisis intervention, computer education, emergency assistance, vocational guidance, adult education programs (such as ESL, life skills, nutrition classes, etc.) and social services and recreational activities, to be implemented within three months of project completion and in-kind social services may count toward meeting 100% of the social service requirements. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided. The provision of these services will be included in the Bond Regulatory Agreement; 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**, to satisfy H.B. 3361, the City will held a public hearing on June 25, 2014, and approves the 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

**NOW, THEREFORE,**

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

**Section 1.** That the City of Dallas authorizes the DHFC to issue tax exempt bonds in the approximate amount of \$18,000,000 Multi-family Housing Mortgage Revenue Bonds Series 2014 and supports the TDHCA's 4% tax credits in the approximate amount of \$8,156,389 to finance the acquisition and rehabilitation of 382 units for families by Norstar referred to as the Fountains of Rosemeade, an existing multi-family community comprised of 382 units for families comprised of 198 one-bedroom units, 137 two-bedroom units and 48 three-bedroom units located at 3440 East Rosemeade Parkway, Dallas, Texas by Norstar.

**Section 2.** That after the public hearing; (1) the City of Dallas authorized the final approval of the Fountains of Rosemeade's application, by a to be formed entity created by Norstar, to the DHFC for the issuance of tax-exempt bonds by the DHFC in an amount not to exceed \$18 Million in tax-exempt Multi-family Housing Mortgage Revenue Bonds Series 2014 and its support of the application for 4% housing tax credits in the approximate amount of \$8,156,389 pursuant to §11.3 (2)(A-G) Deconcentration Factors contained in TDHCA's Qualified Allocation Plan 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 this approval is subject to the Project Owner expending a minimum of \$40,000 in social services annually, of which 100% may be from in-kind services, for and at no cost to the residents of the development, based on a survey of residents needs, to be implemented within three months of project completion.

**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 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 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 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 8.** That it is FURTHER RESOLVED, (1) that the City of Dallas supports the Fountains of Rosemeade 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.

**Section 9.** 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 10.** 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 11.** 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

*Lucas A. Rice*  
City Secretary