

WHEREAS, on April 25, 1984, the City of Dallas (City) approved and authorized the creation of the 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, the DHFC on April 9, 2013 the DHFC approved a loan program to provide funding from Local Political Subdivision to 9% tax credit applicants needing additional funds and points to be competitive in the tax credit round that are granted support of their 9% tax credit application from the City of Dallas and on January 13, 2015, the DHFC approved amendments to the loan rules to include fees for permanent financing, to add the phrase, "Provided, however, that in any case the loan financial terms to the Applicant for such Loan are no more favorable than the financial terms to the Corporation to obtain the funds for such a loan from a third-party, if applicable", and to change the contact person for First Southwest Company to Tim Nelson; and

WHEREAS, the AmeriSouth Realty Group and/or its affiliates are undergoing steps to revitalize the 168-unit multi-family apartment complex known as Royal Crest Apartments and the participation by the DHFC requested in this resolution is for the 9% tax credit application for Texas Royal Crest, L.P., (the "Applicant") the tax credit applicant the Royal Crest Apartments located at 3558 Wilhurt Avenue, Dallas, Texas 75216; and

WHEREAS, on January 8, 2015, the Applicant sent its pre-application to the Texas Department of Housing and Community Affairs ("TDHCA") for a 9% tax credit application to receive 153 points on its full application due on February 27, 2015 for the Royal Crest Apartments; and

WHEREAS, Applicant requests DHFC serve as lender for a loan in the amount of \$2.52 Million, 15 years with 30 year amortization and at a rate not to exceed 3% interest, to receive up to approximately 14 points on their 9% tax credit application under the AT RISK category; and

WHEREAS, Applicant requested that the DHFC approve the \$2.52 Million Local Political Subdivision loan and recommend the approval of the City Council to be applied to the Applicant's 9% tax credit application for the Royal Crest Apartments pre-application submitted to TDHCA on January 8, 2015 and application to be submitted on February 27, 2015, in accordance with the DHFC's Rules for Loans in Connection with Obtaining Tax Credits for Multi-family Residential Projects; and

WHEREAS, on January 13, 2015, the Dallas Housing Finance Corporation (DHFC), approved the \$2,520,00 Local Political Subdivision loan and recommended the approval to the City Council to be applied to the Applicant's 9% tax credit application for the Royal Crest Apartments pre-application submitted to TDHCA on January 8, 2015 and application to be submitted on February 27, 2015, in accordance with the DHFC's Rules for Loans in Connection with Obtaining Tax Credits for Multi-family Residential Projects; and

WHEREAS, on February 2, 2015, the Housing Committee was sent a briefing memo on the project and voted to recommend that the City Council adopt a resolution approving the \$2,520,000 loan from the DHFC to AmeriSouth Realty Group, and/or its successors and assigns, for the Royal Crest Apartments; and

WHEREAS, the Applicant has advised that it intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Competitive 9% Housing Tax Credits for the Royal Crest Apartments on or before February 27, 2015; and

WHEREAS, under the TDHCA Qualified Allocation Plan for 2015, specific conditions are needed in order for the applicant to receive up to 17 points for Local Government Support of the project from the Governing Body provided by a Resolution; and

WHEREAS, the owner of the project will: (1) expend a minimum of \$40,000 in social services annually (\$200 per unit per year), whichever is greater, 100% of which can be in the form of in-kind contributions, 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; and

WHEREAS, the Royal Crest project, located at 3558 Wilhurt Avenue, Dallas, Texas 75216, a proposed redevelopment of approximately 168 units for families with 100% of the units at 60% of the Area Wide Median income, is being considered by the City council on February 25, 2015, for the support of its tax credit application and its development to TDHCA for the maximum of 17 points under Section 11.9 (d)(1) of the 2015 Qualified Allocation Plan and in accordance with Texas Government Code Section 2306.6710(b), stating that the City of Dallas supports the application; and

WHEREAS, the Application intends to request City of Dallas to consider the approval of the development of the Royal Crest Apartments, the redevelopment of 168 rehabilitation units for families located at 3558 Wilhurt Avenue, Dallas, Texas and the authorization for the DHFC to make a loan in an amount not to exceed \$2.52 Million under Section 11.9 (d)(2) (B,C,D) Commitment of Development Funding by LPS contingent on the applicant receiving a tax credit allocation from TDHCA to receive up to 14 points and the City's approval of the 9% tax credit application under Section 11.9 (d)(1) Local Government Support for the project to receive up to 17 points; and

WHEREAS, the Royal Crest Apartments, the redevelopment of 168 rehabilitation units for families located at 3558 Wilhurt Avenue, Dallas, Texas with 100% of the units at 60% of the Area Wide Median Income, is being considered by the City Council on February 25, 2015, for the support of its tax credit application and its development to TDHCA for the maximum 17 points under Section 11.9 (d)(1) of the 2015 Qualified Allocation Plan and in accordance with Texas Government Code Section 2306.6710(b), stating that the City of Dallas supports the application; and

WHEREAS, the City of Dallas desires to consider the approval of the redevelopment of the Royal Crest Apartments, 168 units for families located at 3558 Wilhurt, Dallas, Texas, 75216 and therefore authorizes the DHFC to make a loan in an amount not to exceed \$2.52 Million under Section 11.9 (d)(2) (B,C,D) Commitment of Development Funding by LPS contingent on the applicant receiving a tax credit allocation from TDHCA, that the City's approval of the 9% tax credit application under Section 11.9 (d)(2) Local Government Support to receive up to 17 points dated on today's date, with a waiver of the 2X per capita, if required, pursuant to 2306.6703(a)(4) Texas Government Code and 11.3(b) of the 2015 QAP; and

WHEREAS, the City of Dallas will provide a firm Commitment to lend the funds no later than September 1, 2015.

NOW, THEREFORE,

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

Section 1. That the City Manager hereby authorizes the DHFC to loan \$2.52 Million to AmeriSouth Realty Group, and/or its successors and assigns, for costs associated with the redevelopment of the Royal Crest Apartment (the "Project") in order to get up to 14 points for its 9% tax credit application under Commitment of Development Funding by Local Political Subdivision Section 11.9 (d)(2) (B,C,D) (Section 2306.6710(b)(1)(E)) with a term of 15 years with a 30 year amortization at a 3% interest rate to receive up to 14 points and under Section 11.9 (d)(1) for local government support by providing a resolution of support voted on and adopted by the local governing body to receive up to seventeen (17) points.

Section 2. That DHFC acted pursuant to Section 11.9 (d)(1) to request Local Government support for the applicant to receive up to 17 points and by approving a conduit loan in the amount of \$2.52 Million to Texas Royal Crest L.P., and/or its successors and assigns, for costs associated with the development of the Royal Crest Apartments, located at 3558 Wilhurt Avenue, Dallas, Texas 75216 - TDHCA Application No. 15279, containing 168 units (the "Project") in order for the applicant to receive 14 points for its 9% tax credit application under Commitment of Development Funding by Local Political Subdivision pursuant Section 11.9 (d)(2) (B,C,D) (Section 2306.6710(b)(1)(E)).

Section 3. That it is understood that Borrower intends to apply for a commitment of Tax Credits from the TDHCA pursuant to its 2015 Qualified Allocation Plan (the "QAP"). The City understands that this Loan allows Borrower to qualify for certain points under its Tax Credit application, and Borrower and City intend for this Loan to comply with the QAP.

Section 4. That the Loan will be evidenced by a Promissory Note (the "Note), which will have a term of 15 years, with a 30 year amortization period and shall bear interest at a rate of 3% per annum.

Section 5. That this Resolution is intended to support further and related requests to DHFC and City of Dallas as required under the QAP for a firm commitment of the City to authorize the DHFC to make a loan to the Applicant, as an instrumentality of the City that meets the requirements of 20 TAC Section 11.9(d)(2) (B.C.D) of the TDHCA Rules, on the terms and conditions described above (this "Firm Loan Commitment").

Section 6. That the Firm Loan Commitment would be conditioned upon: (1) the DHFC's receipt and approval of loan documents in final form; (2) no material adverse change in Applicant or the Project or the circumstances surrounding the Applicant's development of the Project that would, in the City's reasonable judgment, make the Loan unacceptable to the DHFC; (3) approval by the DFHC's legal counsel of the documents evidencing the Loan; (4) Applicant/Borrower's receipt of a commitment of Tax Credits for the Project from the TDHCA; (5) availability to the DHFC's funding sources in an amount sufficient to fund the Loan at the time of closing; and (6) execution and delivery of an agreement between the DHFC and the Applicant setting forth the criteria required for the Loan.

Section 7. That this Resolution constitutes the firm commitment of the City to authorize the DHFC to make a loan to the Borrower, as an instrumentality of the City that meets the requirements of 10 TAC Section 11.9(d)(2) (B,C,D) of the TDHCA Rules, on the terms and conditions described above (this "Firm Loan Commitment"). This Firm Loan Commitment is conditioned upon: (1) the DHFC's receipt and approval of loan documents in final form; (2) no material adverse change in Borrower or the Project or the circumstances surrounding Borrower's development of the Project that would, in the City's reasonable judgment, make the Loan unacceptable to the DHFC; (3) approval by the DHFC's legal counsel of the documents evidencing the Loan; (4) Borrower's receipt of a commitment of Tax Credits for the Project from the TDHCA; (5) availability to the DHFC's funding sources in an amount sufficient to fund the Loan at the time of closing; and (6) execution and delivery of an incentive agreement between the DHFC and the Borrower setting forth the criteria required for the Loan.

Section 8. That this Firm Loan Commitment expires upon the Borrower's failure to satisfy any one of the numbered conditions described above. Neither the City, its governing body, DHFC or any employee or representative of the City makes any representation with respect to whether this Firm Loan Commitment qualifies the Borrower for the award of certain points by the TDHCA in connection with an application for a commitment of Tax Credits under any requirement, rule, policy or guideline of the TDHCA, including but not limited to the QAP.

Section 9. That it is RESOLVED, that the City of Dallas, acting through its governing body, hereby confirms that it supports the redevelopment of the Royal Crest Apartments, 168 units for families, located at 3558 Wilhurt, Dallas, Texas 75216, pursuant to Section 11.9 (d) (1) Local Government Support to receive up to 17 points.

Section 10. That it is RESOLVED, that as provided for in 10 Texas Administrative Code Section 11.3(b) of the 2015 QAP, 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 therefore a waiver of this requirement is granted and the City of Dallas confirms that it has voted specifically to allow this redevelopment and has authorized an allocation of Housing Tax Credits for the Development.

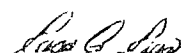
Section 11. That it is FURTHER RESOLVED that for and on behalf of the Governing Body, the Mayor or the City Manager, are hereby authorized, empowered and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

Section 12. That the recitals contained herein above are true and correct.

Section 13. 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

FEB 25 2015


City Secretary