

February 22, 2023

**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 nonprofit 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 by Resolution No. 84-1458; and

**WHEREAS**, on February 28, 2007, the City Council authorized an amendment to the DHFC Bylaws 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, subject to City Council approval by Resolution No. 07-0733; and

**WHEREAS**, on March 27, 2013, the City Council authorized an amendment to the DHFC's Articles of Incorporation to allow the DHFC to classify all its income as tax exempt in accordance with 509(a)(2) of the Internal Revenue Service Code by Resolution No. 13-0541; and

**WHEREAS**, pursuant to Section 394.9025(a) of the Act, following a public hearing, the DHFC may issue bonds to finance a multifamily residential development to be owned by the DHFC if at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income; and a public hearing with respect to the bonds and the Project shall be held in accordance with Section 394.004 of the Act; and

**WHEREAS**, Opportunity Housing Group, Inc. (Applicant or OHG), submitted an application requesting that the DHFC partner with Applicant or its affiliate and issue tax-exempt essential function bonds to finance the DHFC's acquisition of Muse at Midtown, an existing 289-unit market rate residential housing development located at 13675 Noel Road (Project); and

**WHEREAS**, upon closing of the acquisition, the DHFC, or its affiliate, will own the Project and reserve at least 116 of the 289 units for households earning less than 140% of AMI, 145 of the 289 units for households earning less than 80% of Area Median Income (AMI), and 28 of the 289 units will be at market rate rents; and

**WHEREAS**, the DHFC's acquisition of the Project will provide mixed-income workforce housing in a high opportunity area of the City and lower rental rates for current qualified households; and

**WHEREAS**, pursuant to the Act, the Project will be exempt from all ad valorem taxes; and

**WHEREAS**, on January 10, 2023, the DHFC adopted a resolution declaring its intent to issue bonds for the financing of the acquisition and authorizing negotiation and execution of a memorandum of understanding with the Applicant; and

February 22, 2023

**WHEREAS**, pursuant to the Act, the City desires to authorize the DHFC's issuance of tax-exempt essential function bonds and ownership of the Project in order to provide mixed-income, affordable and workforce housing in the City.

**Now, Therefore,**

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

**SECTION 1.** That City of Dallas, acting through its Governing Body, does hereby find and determine that the transaction to acquire Muse at Midtown, an existing 289-unit market rate residential housing development located at 13675 Noel Road (Project) should be undertaken, and does hereby approve the form of the transaction through the issuance of tax-exempt essential function bonds by the Dallas Housing Finance Corporation, the proceeds of which will be used by the DHFC or its affiliate to purchase and acquire the Project.

**SECTION 2.** That the authorization of the Governing Body 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 or 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 3.** That to the extent applicable, the Governing Body hereby approves the application of the Act to the property on which the Project will be acquired and grants its approval for the use of proceeds of bonds issued by the DHFC pursuant to the Act to acquire the Project.

**SECTION 4.** That it is FURTHER RESOLVED that the City of Dallas hereby confirms that its Governing Body has voted specifically to authorize the Project to be acquired.

**SECTION 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provision of the Charter of the City of Dallas, and it is accordingly so resolved.