

# DRAFT

## Memorandum



CITY OF DALLAS

DATE December 3, 2004

TO Honorable Mayor and Members of the City Council

SUBJECT Rosemont at Laureland and Rosemont at Scyene, Bond and Tax Credit Projects

On October 27, 2004, the City Council authorized tax-exempt bonds and low income housing tax credits to finance the development of the Rosemont at Laureland and Rosemont at Scyene multifamily projects. This memorandum is to advise you of a change in circumstances with regard to the ownership of these projects.

During a recent conference call with staff, advisors and bond counsel for the Dallas Housing Finance Corporation, Southwest Housing Development made known its intent to change ownership of the properties and projects subsequent to closing on the issuance of the bonds. The Developer plans to convey the land to the Dallas Housing Authority (DHA) and ownership of the projects to two Limited Partnerships, with a DHA entity as the General Partner and a local nonprofit as the Limited Partner. The Dallas Urban League will be the nonprofit Limited Partner with the Laureland development and Bright III, an entity created by Pilgrims Rest Baptist Church, will be the Limited Partner on the Scyene development. Southwest Housing will remain an integral part of the deals providing construction and property management through its family of companies. Southwest will also continue to provide the financial guarantees for construction of the projects.

As property owner, DHA will lease the land to the project owner. In doing so, DHA will exercise its exemption from property taxes. Although there has been some discussion of a payment in lieu of taxes, indications are that such a payment will be made to the Dallas Independent School District.

The new ownership will not conflict with the terms of City Council approval in that the Resolutions recognize that there could be a change in ownership during the term of the bonds. However, since this ownership arrangement was not proposed during the application process, there was no discussion of a property tax exemption in briefings to the the City Council or its Committees.

Please let me know if you need additional information.

Ryan S. Evans  
Assistant City Manager

COD\_HOU 0002600

GOVERNMENT  
EXHIBIT

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Honorable Mayor and Members of the City Council

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