

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, OCTOBER 24, 2022

22-0014

HOUSING AND HOMELESSNESS SOLUTIONS
CITY COUNCIL CHAMBER, CITY HALL/VIDEO CONFERENCE
COUNCILMEMBER CASEY THOMAS, PRESIDING

PRESENT: [7] Thomas, Moreno, Arnold (**9:15 a.m.), *Blackmon (**9:13 a.m.),
*Mendelsohn, Schultz, Ridley

ABSENT: [0]

The meeting was called to order at 9:03 a.m. with a quorum of the committee present.

The meeting agenda, posted in accordance with Chapter 551, "OPEN MEETINGS," of the Texas Government Code, was presented.

After all business properly brought before the committee had been considered, the meeting adjourned at 11:46 a.m.

Chair

ATTEST:

City Secretary Staff

Date Approved

The agenda is attached to the minutes of this meeting as EXHIBIT A.

The actions taken on each matter considered by the committee are attached to the minutes of this meeting as EXHIBIT B.

The briefing materials are attached to the minutes of this meeting as EXHIBIT C.

***Note: Members of the Committee participated in this meeting by video conference.**

**** Note: Indicates arrival time after meeting called to order/reconvened.**

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, OCTOBER 24, 2022

EXHIBIT A

RECEIVED

2022 OCT 20 PM 4:02

**CITY SECRETARY
DALLAS, TEXAS**

City of Dallas

*1500 Marilla Street,
Council Chambers, 6th Floor
Dallas, Texas 75201*

Public Notice

220978

POSTED CITY SECRETARY
DALLAS, TX



Housing and Homelessness Solutions Committee

October 24, 2022

9:00 AM

2022 CITY COUNCIL APPOINTMENTS

| COUNCIL COMMITTEE | |
|--|---|
| ECONOMIC DEVELOPMENT Atkins (C), Arnold (VC), McGough, Narvaez, Resendez, West, Willis | ENVIRONMENT AND SUSTAINABILITY Blackmon(C), Ridley (VC), Arnold, Bazaldua, Resendez, Schultz, West |
| GOVERNMENT PERFORMANCE AND FINANCIAL MANAGEMENT Mendelsohn (C), Willis (VC), Atkins, Bazaldua, McGough, Ridley, West | HOUSING AND HOMELESSNESS SOLUTIONS Thomas (C), Moreno (VC), Arnold, Blackmon, Mendelsohn, Ridley, Schultz |
| PUBLIC SAFETY McGough (C), Mendelsohn (VC), Atkins, Moreno, Resendez, Thomas, Willis | QUALITY OF LIFE, ARTS, AND CULTURE Bazaldua (C), West (VC), Arnold, Blackmon, Narvaez, Ridley, Thomas |
| TRANSPORTATION AND INFRASTRUCTURE Narvaez (C), Atkins (VC), Bazaldua, Mendelsohn, Moreno, Schultz, Willis | WORKFORCE, EDUCATION, AND EQUITY Schultz (C), Thomas (VC), Blackmon, McGough, Moreno, Narvaez, Resendez |
| AD HOC JUDICIAL NOMINATING COMMITTEE Resendez (C), Arnold, Bazaldua, Ridley, Thomas, West, Willis | AD HOC LEGISLATIVE AFFAIRS Atkins (C), McGough, Mendelsohn, Narvaez, Willis |
| AD HOC COMMITTEE ON PROFESSIONAL SPORTS RECRUITMENT AND RETENTION Johnson (C), Atkins, Bazaldua, Blackmon, Thomas | AD HOC COMMITTEE ON GENERAL INVESTIGATING & ETHICS Mendelsohn (C), Atkins, Blackmon, McGough, Schultz |
| AD HOC COMMITTEE ON ADMINISTRATIVE AFFAIRS Willis (C), McGough, Moreno, Schultz, West | |

(C) – Chair, (VC) – Vice Chair

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while

Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las

attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisara al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

"Pursuant to Section 46.03, Penal Code (places weapons prohibited), a person may not carry a firearm or other weapon into any open meeting on this property."

"De conformidad con la Sección 46.03, Código Penal (coloca armas prohibidas), una persona no puede llevar un arma de fuego u otra arma a ninguna reunión abierta en esta propiedad."

This Council Committee meeting will be held by videoconference and in the Council Chambers, 6th Floor at City Hall.

The public is encourage to attend the meeting virtually, however, City Hall is available for those wishing to attend the meeting in person following all current pandemic-related public health protocols. The meeting will be broadcast live on Spectrum Cable Channel 16 and online at bit.ly/cityofdallastv.

The public may also listen to the meeting as an attendee at the following videoconference link:

<https://dallascityhall.webex.com/dallascityhall/j.php?MTID=m785e55d51d35ba8b52b50716e801cc3d>

Call to Order

MINUTES

- 1 22-2532 Approval of the September 29, 2022 Housing and Homelessness Solutions Committee Meeting Minutes

BRIEFING ITEMS

- A 22-2534 Mixed Income Housing Development Bonus - Process for On Site Projects and Fee in Lieu Process Launch [David Noguera, Director & Pam Thompson, Housing Strategy Manager & Thor Erickson, Assistant Director, Department of Housing & Neighborhood Revitalization]

Attachments: Presentation

- B 22-2531 Dallas R.E.A.L Time Rapid Rehousing Update [Christine Crossley, Director, Office of Homeless Solutions & Joli Robinson, CEO, Housing Forward]

Attachments: Presentation

- C 22-2533 Overview of Upcoming Agenda Item American Rescue Plan Act Neighborhood Revitalization Program Amendment Related to Five Mile Neighborhood, Joppa Neighborhood, Historic Tenth Street Neighborhood, and Other Qualified Census Tracts [Thor Erickson, Assistant Director, Department of Housing & Neighborhood Revitalization]

Attachments: Presentation

MEMORANDUMS

- D 22-2535 Office of Homeless Solutions Update: Porta-Potty Initiative [Christine Crossley, Director, Office of Homeless Solutions]

Attachments: Memo

REPORTS

- E 22-2536 Department of Housing & Neighborhood Revitalization Performance Measure Update [Jessica MacKinnon, Department of Housing & Neighborhood Revitalization]

Attachments: Report

UPCOMING AGENDA ITEMS

- F 22-2537 Upcoming Agenda Item: Approval of a Resolution Authorizing the Dallas Housing Finance Corporation to Issue Tax-Exempt Essential Function Bonds to Finance, Acquire, and Own The Dylan, An Existing Multifamily Property Located at 4533 Cedar Springs Road [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

- G 22-2538 Upcoming Agenda Item: Approval of a Resolution of No Objection for LDG The Terrace at Highland Hills, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Terrace at Highland Hills, a to be Developed Multifamily Property Located at 3100 Persimmon Road [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

- H 22-2539 Upcoming Agenda Item: Approval of a Resolution of No Objection for LDG The Crossing at Clear Creek, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Crossing at Clear Creek, a to be Developed Multifamily Property Located at 1650 South Woody Road [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

- I 22-2540 Upcoming Agenda Item: Approval of a Resolution of No Objection for Rock Island Riverfront, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Rock Island Riverfront, a to be Developed Multifamily Property Located at 1027 South Riverfront Boulevard [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

- J 22-2541 Upcoming Agenda Item: Approval of a Resolution of No Objection for TX Ferguson 2022, LTD's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Estates at Ferguson, a to be Developed Multifamily Property Located at 9220 Ferguson Road [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

- K 22-2542 Upcoming Agenda Item: Authorize a Resolution Approving the Assignment of Dallas Housing Finance Corporation Qualified Mortgage Revenue Bonds to the Texas Department of Housing & Community Affairs for the Texas Homebuyer Program [David Noguera, Director, Department of Housing & Neighborhood Revitalization]

Attachments: Memo

ADJOURNMENT

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, OCTOBER 24, 2022

EXHIBIT B

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

Item 1: Approval of the September 29, 2022 Housing and Homelessness Solutions
Committee Meeting Minutes

Councilmember Ridley moved to adopt the minutes as presented.

Motion seconded by Councilmember Schultz and unanimously adopted. (Arnold, Blackmon
absent when vote taken)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

BRIEFING ITEMS

Item A: Mixed Income Housing Development Bonus - Process for On Site Projects and Fee
 in Lieu Process Launch

The following individuals briefed the committee on the item:

- David Noguera, Director, Department of Housing & Neighborhood Revitalization;
- Pam Thompson, Housing Strategy Manager; Housing & Neighborhood Revitalization;
and
- Cynthia Rogers-Ellickson, Assistant Director, Department of Housing & Neighborhood
Revitalization

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

BRIEFING ITEMS

Item B: Dallas R.E.A.L Time Rapid Rehousing Update

The following individuals briefed the committee on the item:

- Christine Crossley, Director, Office of Homeless Solutions;
- Joli Robinson, CEO, Housing Forward; and
- Kim Tolbert, Deputy City Manager, City Manager's Office; and
- David Noguera, Director, Department of Housing & Neighborhood Revitalization

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

BRIEFING ITEMS

Item C: Overview of Upcoming Agenda Item American Rescue Plan Act Neighborhood Revitalization Program Amendment Related to Five Mile Neighborhood, Joppa Neighborhood, Historic Tenth Street Neighborhood, and Other Qualified Census Tracts

The following individual briefed the committee on the item:

- Thor Erickson, Assistant Director, Department of Housing & Neighborhood Revitalization
-

Councilmember Arnold moved to forward the item to city council.

Motion seconded by Councilmember Mendelsohn and unanimously adopted. (Thomas, Schultz absent when vote taken.)

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

MEMORANDUMS

Item D: Office of Homeless Solutions Update: Porta-Potty Initiative

The committee discussed the item.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

REPORTS

Item E: Department of Housing & Neighborhood Revitalization Performance Measure Update

The committee discussed the item.

OFFICIAL ACTION OF THE CITY COUNCIL COMMITTEE

OCTOBER 24, 2022

UPCOMING AGENDA ITEMS

- Item F: Upcoming Agenda Item: Approval of a Resolution Authorizing the Dallas Housing Finance Corporation to Issue Tax-Exempt Essential Function Bonds to Finance, Acquire, and Own The Dylan, An Existing Multifamily Property Located at 4533 Cedar Springs Road
- Item G: Upcoming Agenda Item: Approval of a Resolution of No Objection for LDG The Terrace at Highland Hills, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Terrace at Highland Hills, a to be Developed Multifamily Property Located at 3100 Persimmon Road
- Item H: Upcoming Agenda Item: Approval of a Resolution of No Objection for LDG The Crossing at Clear Creek, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Crossing at Clear Creek, a to be Developed Multifamily Property Located at 1650 South Woody Road
- Item I: Upcoming Agenda Item: Approval of a Resolution of No Objection for Rock Island Riverfront, LP's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Rock Island Riverfront, a to be Developed Multifamily Property Located at 1027 South Riverfront Boulevard
- Item J: Upcoming Agenda Item: Approval of a Resolution of No Objection for TX Ferguson 2022, LTD's Application to the Texas Department of Housing & Community Affairs for Non-Competitive 4% Housing Tax Credits for the Estates at Ferguson, a to be Developed Multifamily Property Located at 9220 Ferguson Road
- Item K: Upcoming Agenda Item: Authorize a Resolution Approving the Assignment of Dallas Housing Finance Corporation Qualified Mortgage Revenue Bonds to the Texas Department of Housing & Community Affairs for the Texas Homebuyer Program

The committee discussed the items.

MINUTES OF THE CITY COUNCIL COMMITTEE
MONDAY, OCTOBER 24, 2022

EXHIBIT C



City of Dallas

Mixed Income Housing Development Bonus - Fee in Lieu Launch

**Housing and Homelessness
Solutions Committee
October 24, 2022**

David Noguera, Director
Pam Thompson, Housing Strategy Manager
Thor Erickson, Assistant Director
Department of Housing & Neighborhood Revitalization
City of Dallas

Presentation Overview



- Background
- Processes
 - Zoning Change
 - MIHDB application
 - Onsite
 - Fee in lieu
- Next Steps



Background



- Mixed Income Housing Development Bonus (MIHDB) program in place since 2019
 - Amended May 11, 2022 to allow a fee in lieu of onsite units
- 34 projects currently tracked in development pipeline (Up from 16 last year)
- 27 additional potential projects with MIHDB zoning

| | Complete | Under Construction | Applying | Might Apply | Total |
|-------------|----------|--------------------|----------|-------------|-------|
| Onsite | 5 | 12 | 13 | | 30 |
| Fee in Lieu | | | 4 | | 4 |
| Not set | | | | 27 | 27 |
| Universe | 5 | 12 | 17 | 27 | 61 |





Zoning Change Process



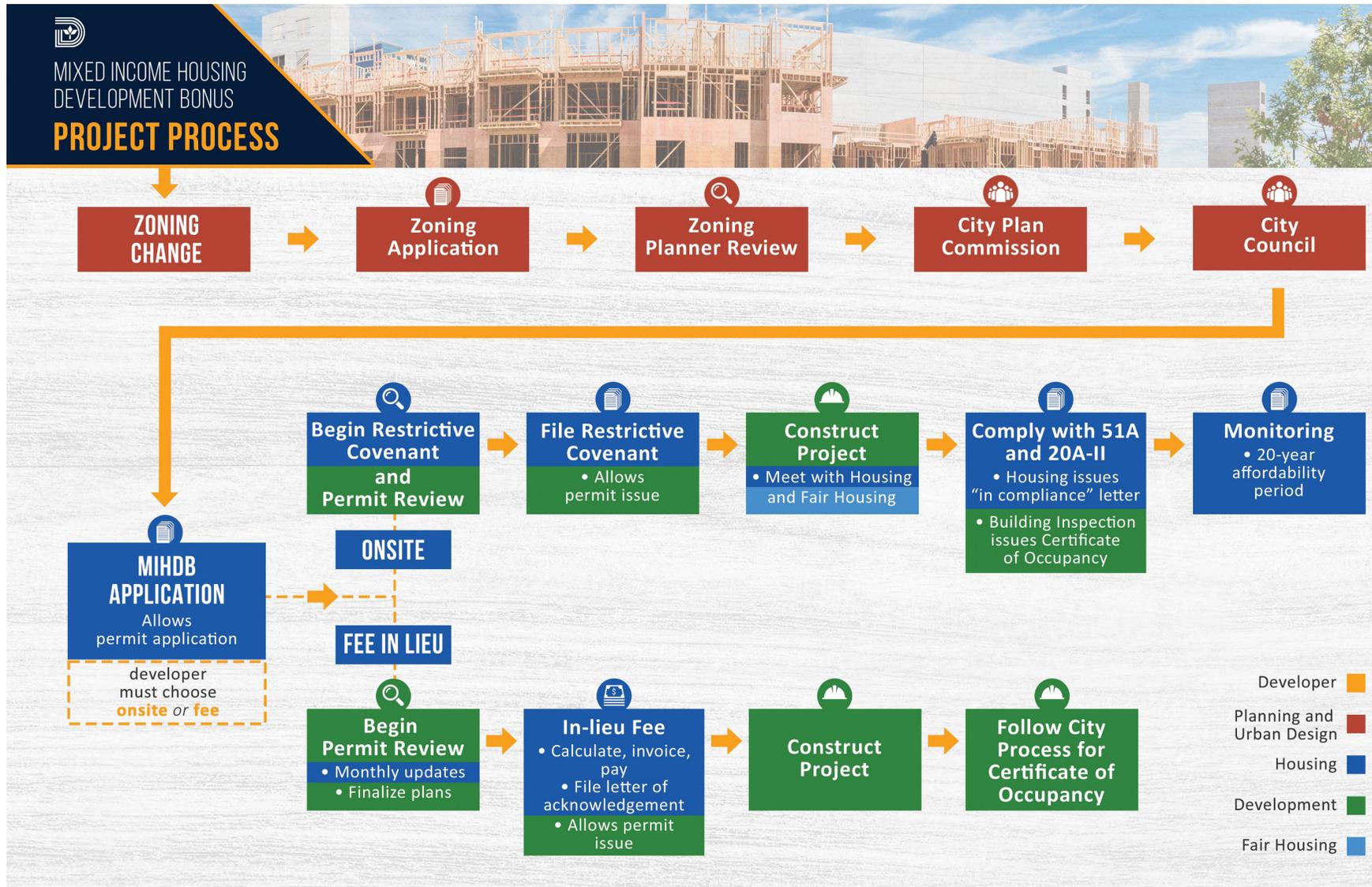
MIHDB Process – Zoning Change



- Program available in Multifamily (MF), Mixed Use (MU), and several Planned Development (PD) districts
- For new MIHDB zoning:
 - Developer applies for zoning
 - Housing & Neighborhood Revitalization (HOU) works with Planning + Urban Design (PUD) to prepare case for City Plan Commission (CPC)
 - CPC recommends approval/denial
 - If City Council approves, the new MIHDB zoning has a base (development rights without MIHDB) and a bonus (development rights with MIHDB)
- Project now has new zoning that allows for MIHDB
 - May 11, 2022 amendment – project can do fee in lieu or on-site



MIHDB Process Overview





MIHDB Application Process



MIHDB Process - Application



- Developer applies with HOU to use bonus
 - Available to all developments with bonus zoning (PD, MF, or MU)
 - Application, developer handbook, and instructions on HOU website
- Developer chooses onsite or fee in lieu of onsite provision during application
- Developer submits application and HOU reviews/accepts
- HOU collects \$92 program participation fee (for staff time)
 - Fee will increase to \$1,390 in January 2023
- HOU sends executed MIHDB application to Building Inspections (BI)
 - Allows development to **begin** permit process (pre-development meeting, Q Team, etc.)





Onsite



MIHDB Process – Onsite



- Begin permit review and restrictive covenant:
 - City Attorney's Office (CAO) and HOU draft restrictive covenant (secures affordability period)
 - Developer reviews/sends comments
 - Remainder of program fees due (one-time fee, \$4,361 per project)
 - For monitoring and staff time through end of 20-year affordability period
 - Monitoring fee will increase to \$11,567 per project in January 2023 to allow for full cost recovery
- Owner and City execute and file restrictive covenant on the deed
 - Permit issued after filing



MIHDB Process – Onsite



- During construction:
 - HOU staff meet with developer and apartment management to ensure they understand:
 - Finish out and unit dispersal requirements
 - Affordability and marketing: tenant-related policies, voucher non-discrimination, Fair Housing marketing, reporting, etc.
 - Office of Fair Housing meets with developer to create and approve the Affirmative Fair Housing Marketing Plan
 - The Office of Fair Housing monitors marketing plan



MIHDB Process – Onsite



- Comply with Ch. 51A-4.1100 and Ch. 20A-II:
 - HOU inspects on-site to ensure reserved unit finish out/dispersal compliance
 - HOU monitors for leasing compliance
- HOU issues an in-compliance letter
- BI issues certificate of occupancy once all City requirements met



On-Site – Monitoring (HOU)



- HOU conducts ongoing compliance reviews:
 - Reviews quarterly reports
 - Site visits every six years
 - Sends follow up monitoring letters as needed
- Restrictive covenant terminates after 20 years of compliance
 - Can be extended for periods of non-compliance





Fee in Lieu



MIHDB Process – Fee in Lieu



- Begin permit review process:
 - HOU requests monthly updates on permit review status
 - Plans are refined and can change during permit review
- Once plans are final:
 - HOU and DEV calculate final fee in lieu amount based on final construction drawings.



MIHDB Process – Fee in Lieu



- Fee is *floor area square footage* times the applicable *per-foot amount**:

| Fees in Lieu of On-Site Provision of Units Fee to be multiplied by square footage of floor area as specified in Section 20A-23.1 | Fee Market Value Analysis (MVA) Categories A-F | Fee MVA Categories G-I |
|---|--|------------------------------|
| Under six stories | \$3.07 | \$2.15 |
| Between six and eight stories | \$4.91 | \$3.44 |
| Between nine and 12 stories | \$6.14 | \$4.30 |
| Over 12 stories | \$7.98 | \$5.59 |

*Fees increase annually each January based on Consumer Price Index (CPI) for housing in Dallas/Fort Worth Metropolitan Statistical Area (MSA)



MIHDB Process – Fee in Lieu



- Example: Uptown residential high rise:
 - 31 stories
 - MVA Category E
 - 307,196 total residential square feet
 - $\$7.98 * 307,196 \text{ sq.ft.} = \$2,451,424$

| Fees in Lieu of On-Site Provision of Units Fee to be multiplied by square footage of floor area as specified in Section 20A-23.1 | Fee MVA Categories A-F | Fee MVA Categories G-I |
|--|------------------------------|------------------------------|
| Under six stories | \$3.07 | \$2.15 |
| Between six and eight stories | \$4.91 | \$3.44 |
| Between nine and 12 stories | \$6.14 | \$4.30 |
| Over 12 stories | \$7.98 | \$5.59 |



MIHDB Process – Fee in Lieu



- Once fee is calculated, HOU prepares invoice packet with:
 - Invoice
 - Architect attestation
 - Construction plan showing number of buildings, stories, and floor area square footage
 - HOU/BI confirmation of MVA category and number of buildings, number of stories, and floor area
 - MIHDB application (for reference)
 - Wire instructions
- Developer wires fee to City
- HOU finance transfers funds to MIHDB fund and prepares acknowledgement letter (receipt)



MIHDB Process – Fee in Lieu



- Acknowledgement letter recorded against deed:
 - Memorializes development's participation in bonus program
 - Serves in place of onsite restrictive covenant
- Includes:
 - Wire receipt
 - Confirmation of MVA category, floor area, stories, and per square foot fee
 - Metes and bounds



MIHDB Process – Fee in Lieu



- Construct project
- Follow City processes for certificate of occupancy (C.O.)



Next Steps



- MIHDB application available at www.dallashousingpolicy.com
 - Applications reviewed/accepted daily
 - Neighborly portal coming soon
- Upcoming Housing Policy Task Force meeting – Fees and Program Design
 - November 30, 2022, 1:00 p.m.
 - Meeting Number: 2494 121 8290
 - Password: HPTF
 - Join by Phone: 469-210-7159





City of Dallas

Mixed Income Housing Development Bonus - Fee in Lieu Launch

**Housing and Homelessness
Solutions Committee
October 24, 2022**

David Noguera, Director
Pam Thompson, Housing Strategy Manager
Thor Erickson, Assistant Director
Department of Housing & Neighborhood Revitalization
City of Dallas



DALLAS R.E.A.L. TIME RAPID REHOUSING UPDATE

OCTOBER 2022

Joli Robinson, CEO, Housing Forward
Christine Crossley, Director, Office Of Homeless Solutions, City of Dallas

REBRAND: WE ARE HOUSING FORWARD

Metro Dallas Homeless Alliance (MDHA) has completed a total rebrand. Effective today, MDHA is known as **Housing Forward** and our Continuum of Care will no longer be The Homeless Collaborative of Dallas and Collin Counties but will be known as the **All Neighbors Coalition**.

- At the heart of this rebrand was an effort to find a new name to better represent all the people and communities we serve. Removing any reference to a location in our name allows us to better represent every person and community in our service area.
- Our homeless response system has undergone massive transformation; with increased collaboration, alignment of homeless response goals, and a renewed focus on rehousing our neighbors more effectively, we are housing more people faster than ever. Our new name represents a system working with forward momentum to house our neighbors quicker and more effectively.
- The All Neighbors Coalition comprises more than 100 partner organizations across Dallas and Collin Counties that provide resources and support directly to individuals, Veterans, youth, and families experiencing homelessness.
- Housing Forward, supporting the All Neighbors Coalition, will have an inclusive, informative, and strategic approach to messaging that honors the humanity of those experiencing homelessness, advocates for the issue of solving homelessness, and invites others to learn more and take action.



CURRENT STATE OF HOMELESSNESS

WE ARE HOUSING MORE PEOPLE THAN EVER

PROVIDERS FEEL INCREASED PRESSURE
MORE LOW-INCOME HOUSEHOLDS
SEEK ASSISTANCE



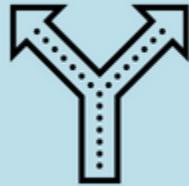
We've housed 35% more people this quarter than in Q3 of 2021



Rents in Dallas are up 17% year-over-year which increases housing instability for low-income households

CURRENT STATE OF HOMELESSNESS

SOLVE: REDUCE INFLOW OF NEIGHBORS INTO THE SYSTEM BY **DIVERSION**, ALTERNATIVE TO SHELTER



Diversion is a less expensive, alternative to shelter proven to be effective at curbing inflow into shelter among those newly homeless

ALL NEIGHBORS COALITION IS ACTIVELY WORKING TO SCALE DIVERSION



Building partnerships with mainstream safety-net programs to curb inflow into homelessness

DALLAS R.E.A.L. TIME RAPID REHOUSING UPDATE



1220
Individuals
Housed



94
Average Days in
Housing Search



Increased
Housing
Placements

DALLAS R.E.A.L. TIME RAPID REHOUSING UPDATE

Black households are enrolled and housed at higher rates than other groups

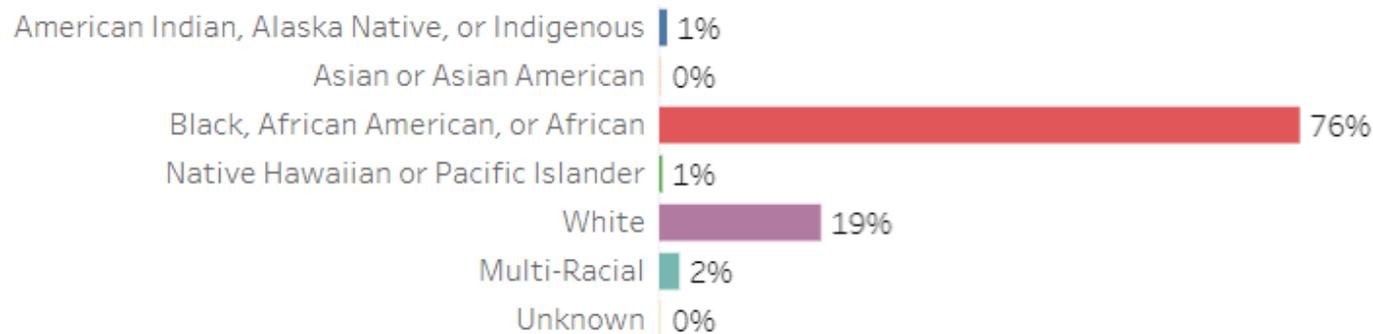
- Making up 76 % of those housed but 54 % of the total homeless population

Closing the gap on length of time homeless

- Disparities in housing search time continue, but the gap between Black households and the overall population is narrowing
- Black households are in housing search for 96 days, compared to 94 days for overall population, 87 days for White households
- Case Managers/Clients report bias landlords and screening criteria

Housing Location Team, leaning-in to minimize desperate impacts

- Pre-negotiating units, working with Case Managers to liaise with landlords on behalf of clients



ENCAMPMENT DECOMMISSIONING

Bringing together partners with a common mission to end homelessness and resolve public health risks with a focus on rehousing.

- Cross-System Partnerships
- Active engagement and outreach
- Coordinated, dedicated, and responsive rehousing system
- Housing Unit Location
- Closure maintenance



ENCAMPMENT DECOMMISSIONING



Site Planning

- Assessment of health risks
- Equitable site selection
- Site plan mapping



Encampment Assessment

- Engage encampment residents
- Assess housing needs and preferences



Document Collection

- Secure critical documents needed for housing
- Submit Housing Authority voucher application



Housing Identification

- Search for available, low barrier housing units
- Secure and inspect available units



Housing Lease Up

- Refer to housing case manager
- Unit applications
- Navigate voucher and lease up process



Closure Maintenance

- Site closure signage
- Fencing
- Daily outreach and drive throughs to ensure sites remain closed

Key Activities

Key Partners

| | | | | | |
|-----------------|---------------------------|-------------------------------------|---|--------------------------------|---------------------------|
| City of Dallas | Street Outreach Providers | The Stewpot | Housing Forward's Housing Location Team | Dallas REAL Time Case Managers | City of Dallas - DPD, OHS |
| Housing Forward | Housing Forward | Dallas REAL Time Housing Navigators | Dallas Housing Authority | Housing Navigators | |
| | | Dallas Housing Authority | | | |



KEYS TO SUCCESS

FINDING HOUSING

- **Housing Location Team:** recruiting landlords, 'holding' units, negotiating to reduce screening barriers
- **Housing Navigators:** walking alongside clients to navigate lease up and collect critical documents

KEEPING HOUSING

- **Case Management:** educating on tenant rights/responsibilities; connecting health care; increasing income
- **Community Integration Services:** connect with community services, education, and employment; strengthen social/support networks

**HOUSING PLACEMENTS ARE UP 35 %
OVER 2021 IN QUARTER 3**

**OVER 99 % OF HOUSEHOLDS REMAIN
HOUSED AFTER 6 MONTHS**



SYSTEM TO EFFECTIVELY END HOMELESSNESS AMONG VETERANS

Housed 1,448 Veterans since launching in 2019

- Electronic System to **Identify All Veterans** Entering the Homelessness Response System
- **Provide Sufficient Interventions** for all Veterans Entering the Homelessness Response System
- Resolve Homelessness **within 90 Days**, on average, of Entering the Homelessness Response System



Next Steps:

- Now begin a substantial process to thoroughly scrub and validate our data with the United States Interagency Council on Homelessness (USICH) and receive an official declaration.

WHAT'S NEXT

Transformation In Action

PERMANENT SUPPORTIVE HOUSING (PSH) EXPANSION STRATEGY

- PSH pipeline strategy
- Partnerships with DHA and Dallas County to pair vouchers with new PSH units
- Development of Integrated Services Team to provide comprehensive care to PSH tenants
- Opportunities to secure new HUD Unsheltered Funding!

FINISH THE JOB OF ENDING VETERAN HOMELESSNESS

- House all chronically homeless veterans and long stayers
- Continue prioritizing Veterans for all community housing resources
- Prepare for Federal declaration with the United States Interagency Council on Homelessness

DEFINING GOALS FOR ENDING FAMILY AND YOUTH HOMELESSNESS

- Define thresholds for reducing homelessness among youth and among families
- Co-design system enhancements to crisis response and rehousing system
- Secure necessary resources



City of Dallas

Overview of Upcoming Agenda Item American Rescue Plan Act Neighborhood Revitalization Program Amendment

**Housing and Homelessness Solutions
October 24, 2022**

Thor Erickson, AICP, Assistant Director
Department of Housing & Neighborhood Revitalization
City of Dallas

Presentation Overview



- Background/History
- Purpose
- Program Design
- Data
- Proposed Action
- Program Amendments
- Operational Impact
- Staff Recommendation



Background/History



- On September 22, 2021 – Annual budget was passed
- Council allocated \$11,250,000 of the American Rescue Plan Act (ARPA) funding to home repair and water and sewer infrastructure improvements in Qualified Census Tracts (QCT) located in Five Mile, Historic Tenth Street, and Joppa neighborhoods.
- QCT means that 50% of households in the Census tract are below 60% Area Median Income (AMI) which for family of 4 is \$53,400



Purpose



- Provide update on Program
- Present proposed Amendments to the Program
- Discuss Next steps



Program Design



- Total Budget - \$11,250,000 (Five Mile, Joppa, Tenth St)
 - Home Repair
 - Community meetings held in person and virtually
 - Canvassing of all neighborhoods
 - Applicants schedule appointments or send in applications electronically
 - Serving ~20 homes per neighborhood
 - Up to \$100,000 grant per home
 - Eligibility: Homes built in or before 1959, located within neighborhood boundaries, in need of eligible repairs
 - Conditions: 5-year deed restriction, home must remain owner occupied or rented/sold to income-qualified household
 - Infrastructure
 - Sidewalks, water, and sewer
 - Projects which can be completed by December 2025
 - Projects chosen in coordination with City of Dallas Public Works department, and must support home repair activities



Program Design – Existing Boundaries



Five Mile Area



Joppa Area



Tenth St Area



Data



| | Total ARPA Budget | Applications received | Total Committed for Home Repair to Date | Budget Remaining for Infrastructure Projects | Infrastructure Project(s) Identified |
|--------------|-------------------|-----------------------|---|--|---|
| Five Mile | \$3,500,000 | 21 | \$1,890,000 | \$1,610,000 | Five Mile Infrastructure Improvement Project - 5 streets are part of the project - improve roads from asphalt pavement with ditch drainage to new concrete paving with curbs and sidewalks - includes new storm drain system - Includes improving the existing water and wastewater lines |
| Joppa | \$3,500,000 | 28 | \$2,620,000 | \$880,000 | Public Works Progress Measure: 1 - improving lane pavement condition - addressing distresses in the pavement - equity focused - inline with City of Dallas' Racial Equity Plan (REP) - Aiding current and future developers to recognize the advantage of developing South of I-30 - highlights the economic benefit of implementing infrastructure equity |
| Tenth Street | \$3,500,000 | 15 | \$1,340,000 | \$2,160,000 | Neighborhood-wide sidewalk and/or street improvements - pending finalized design and funding allocation - historical consideration(s) - possibly full street reconstruction or sidewalks only - full street reconstruction includes: sidewalks, pedestrian crosswalks, drainage, street lighting, and pavement modifications - alternative is improving sidewalks only - ARPA funding would likely go to sidewalk improvements |



Data (continued)



- Applications, and funding totals include estimates for home repair applications received to date
- ARPA funding spent on home repair will influence funding amounts available for infrastructure projects
- Infrastructure projects are being selected in coordination with City of Dallas Public Works department
 - Projects selected depending on stage in design phase with projected completion dates by December 2025



Proposed Action



- Expand original Historic Tenth Street boundary to include The Bottom neighborhood
- Allow Program to utilize ARPA City Council discretionary funds if available in district specific QCTs
- Allow Program to utilize unused ARPA funds if available in all QCTs or with homeowners who receive other federal benefits
- Clarify eligible infrastructure projects



Proposed Action (continued)



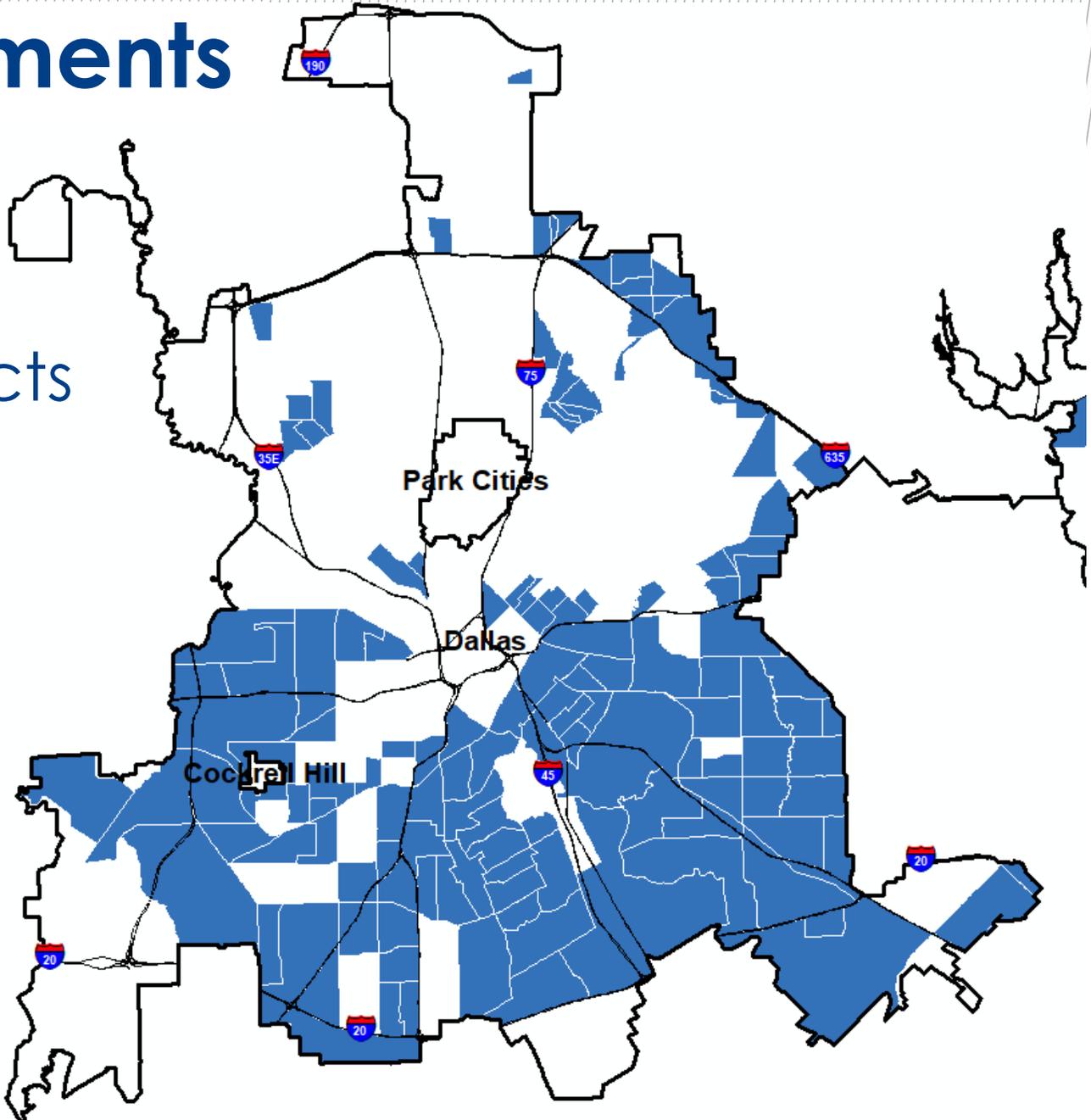
- Expand original 10th Street boundary to include The Bottom



Program Amendments



- Qualified Census Tracts in the City of Dallas



Program Amendments (continued)



| ARP NRP Program Areas | | Funding Source | Total ARPA Budget |
|------------------------------------|---|---|----------------------------|
| Current Program Neighborhoods | Five Mile | Initial allocation of \$11,250,000 in ARPA funds committed in September 2021 budget | \$3,500,000 |
| | Joppa | | \$3,500,000 |
| | Historic Tenth Street | | \$3,500,000 |
| Modified Program Neighborhood | Historic Tenth Street - to include The Bottom | Included in Initial allocation of \$11,250,000 in ARPA funds committed in September 2021 budget | Existing \$3,500,000 |
| Councilmember QCTs of choice | | Councilmember Discretionary Funds identified by December 2023 | Not to exceed \$10,000,000 |
| QCTs Throughout The City of Dallas | | Underutilized ARPA Funds identified by December 2023 | |



Operational Impact



- Two staff hired
 - Community Outreach Specialist
 - Project Manager
- Need to know of any funds by December 2023 because funds need to be encumbered by September 2024 and spent by December 2025
- Identifying unused funds sooner than later is suggested if home repair is selected as the way to spend some of the ARPA money
 - Goal: Identify additional ARPA funds by December 2023, and provide up to \$10,000,000 in additional home repair and infrastructure improvements



Staff Recommendation



- Staff recommends the Housing and Homelessness Solutions Committee (HHSC) forward the following to City Council on November 9, 2022 for consideration and approval:
 - ARPA Neighborhood Revitalization Program Amendment





City of Dallas

American Rescue Plan Act Neighborhood Revitalization Program Amendment

**Housing and Homelessness Solutions
October 24, 2022**

Thor Erickson, AICP, Assistant Director
Department of Housing & Neighborhood Revitalization
City of Dallas

Memorandum



CITY OF DALLAS

DATE October 21, 2022

Honorable Members of the Housing & Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice-Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Office of Homeless Solutions Update: Porta-Potty Initiative**

This memorandum is to provide a high-level overview and update of the Porta-Potty Pilot. As originally stated in the February 28, 2022, presentation to the Housing and Homelessness Solutions Committee (HHS), the placement of these units is not intended to enable encampments, but rather to offer a way in which our unsheltered neighbors may use the facilities with dignity and to cut down on unsanitary conditions in an around encampments. Current progress and findings for this pilot, updates, and prior actions are outlined below:

Current Progress and Findings

- Office of Homeless Solutions (OHS) cleaning teams and City staff connected to specific-area unit placements have seen a dramatic decrease in human waste at all sites as individuals are now able to relieve themselves via the units
- There has been no increase of individuals connected to unit placement
- Cleanings are currently done three times per week. Should this initiative continue, we would increase cleanings to five times per week for optimum maintenance
- While most areas are subject to change as encampments are decommissioned, certain locations that have had high rates of success with the units, require longer-term commitment. These are:
 - Martin Luther King, Jr. Community Center
 - J. Erik Jonsson Central Library
- Total Project Cost:

| Originally Projected for 90 Days | Actual for 90 Days | Spent Total for Incremental Unit Rollout over 290 Days |
|----------------------------------|--------------------|--|
| \$4,000 | \$18,342 | \$36,954 |

Updates

- Due to the success of the existing units, OHS has had a request from St. Luke United Methodist Church for one unit and is exploring additional location requests from partners
- Resulting from previous vendor issues, the cost projection for an annual program is above the originally anticipated cost of \$23,000
- The current cost projection for an annual program accounts for the current number of cleanings per week, the recommended cleanings per week, and the cost per additional unit with the recommended number of cleanings per week is laid out below:

| 7 Units, 3 Cleanings x Week | 7 Units, 5 Cleanings x Week | Increased Cost Per Unit With 5 Cleanings x Week |
|-----------------------------|-----------------------------|---|
| \$77,412 | Est. \$105,726 | Est. \$28,314 |

DATE October 21, 2022
SUBJECT **Office of Homeless Solutions Update: Porta-Potty Initiative**

Prior Actions

- February 28, 2022: Porta-Potty Pilot approved by the Housing and Homelessness Solutions Committee
- February 2022: OHS initiated the delivery of porta-potty units across seven key sites, based on 311 data and Code Compliance requests for the City of Dallas
- City vendor, United Rental, delivers units to J. Erik Jonsson Central Library
- Post-installation of the initial units behind the J. Erik Jonsson Central Library, the City-approved vendor, United Rental, advised they would no longer work with OHS due to security concerns, stemming from working with those experiencing homelessness. This caused further delay in procurement and placement of porta-potties in other locations
- OHS found that the cost of porta-potties had increased when securing another vendor, United Site Services
- May 2022: To stay within the originally quoted budget of \$4,000 for ninety days, only six locations were utilized, with the location at Woodall Rodgers Freeway at North Field Street canceled due to the former encampment being successfully resolved through the Dallas R.E.A.L. Time Rapid Rehousing (DRTRR) Initiative
- All locations have ADA units, handwashing stations, and are serviced three times a week. In consideration of the delayed start date, the pilot phase was extended to September 2022 and then pushed to October 2022 in order to not make a final decision without briefing to and feedback from the Housing and Homelessness Solutions Committee on October 24, 2022
 - Porta-potties were and remain placed in the following locations:
 - North Stemmons @ Medical District
 - 1700 Chestnut St.
 - 2600 Hickory St.
 - 2600 Dawson St.
 - 2710 Gould St.
 - J. Erik Jonsson Central Library
 - August 25, 2022: A unit was later placed at Martin Luther King, Jr. Community Center per request by City staff

Based on these findings and requests for additional units to be placed, it is the recommendation of staff that the Porta-Potty Initiative continues as an annually funded program and that additional research into more permanent options at sites needing longer-term support be made. Should you have any questions or concerns, please contact me.

Christine Crossley

Christine Crossley
Director, Office of Homeless Solutions

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE October 20, 2022

TO Honorable Members of the City Council Housing and Homelessness Solutions Committee: Casey Thomas II (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Department of Housing Performance Measure Update**

The Department of Housing & Neighborhood Revitalization (Housing) reports project pipelines and accomplishments to the Housing and Homelessness Solutions Committee (HHSC) on a monthly basis. This memo summarizes accomplishments for development, repair programs, the Dallas Homebuyer Assistance Program (DHAP), and housing building permits that occurred in September of 2022 as well as a summary of FY 2021-2022. The updated attachments are included, and more details are below:

Development

The attached development project pipeline includes more detailed information about developments that have been approved by City Council or other approving entities and are in the predevelopment phase, are under construction, or have been completed in FY 2021-2022. Details include property information, location information, funding information, and other details regarding the projects' statuses.

Major changes in September are below and also summarized in Exhibit 1.

- One *Land Transfer* home by Marcer Construction received a building permit in Council District 7.
- Bethany Homes (Council District 7), Black Island (Council District 4), and CTE Homes (Council District 7) each completed construction on one home, for a total of three *Land Transfer* homes completed in September 2022.
- Eighty-six units started construction at Kiva East in Council District 2. This is a *Low-Income Housing Tax Credit (LIHTC)* and a *Mixed Income Housing Development Bonus (MIHDB)* project. The project will have 71 units reserved for affordable housing.
- The Briscoe in Council District 11 was approved by City Council and gained media attention for its future conversion of 322 housing units from luxury to affordable units through the building's purchase by the Dallas Housing Finance Corporation (DHFC). A majority (288) of the units will be set aside for affordable housing.
- In the *MIHDB* program, 219 units received a certificate of occupancy for Doverhouse at White Rock in Council District 9.

DATE October 20, 2022

SUBJECT Department of Housing Performance Measure Update

| Exhibit 1: Housing Accomplishments Completed in September 2022 and Entire FY 2021-2022 | | | |
|---|------------------------|---|---|
| Program | September Total | FY To Date | Notes |
| Development | | | |
| Land Transfer | 1 home 3 homes | 68 homes 31 homes 33 homes | Approved Permitted Completed construction |
| LIHTC/DHFC | 86 units | 4,068 units 1,411 units 300 units | Approved Permitted Completed |
| DHFC | 322 units | 322 units | Approved for conversion |
| MIHDB | 219 units | 16 projects 2,407 units 1,320 units | Approved Permitted Completed construction |
| NOFA | | 663 units 17 units 497 units | Approved Permitted Completed construction |
| Land Bank | | 27 homes 25 homes | Permitted Completed construction |
| Repair | | | |
| HIPP | 11 homes 1 home | 54 homes 28 homes 38 homes | Households qualified Agreements signed Completed construction |
| West Dallas | 3 homes 13 homes | 42 homes 23 homes 31 homes | Households qualified Agreements signed Completed construction |
| HHLR | 1 home | 2 homes 1 home | Households qualified Agreements signed |
| DTF | 1 home 1 home | 35 homes 16 homes 18 homes | Households qualified Agreements signed Completed construction |
| ARPA NRP | 2 homes 3 homes | 48 homes 5 homes | Households qualified Agreements signed |
| Other | | | |
| DHAP | 2 homes | 40 homes 16 homes | Prequalified Closed |
| Building Permits | 1,595 units | 11,357 units | Residential units permitted |

Development Fiscal Year Summary

There are 15,776 housing units in the Completed, Under Construction, and Predevelopment project phases in Housing and the Office of Economic Development (OED) programs. The monthly measures presented for Housing development projects in this report follow three different phases of work. The first measure, *Predevelopment*,

DATE October 20, 2022
SUBJECT Department of Housing Performance Measure Update

correlates with the “Units Approved” accomplishment measure and represents units that have been approved by City Council or the associated committees and have not yet begun construction. The second measure, *Under Construction*, includes all developments that have begun construction, measured by receipt of a building permit. The final measure, *Completed*, is taken either at Final Certificate of Occupancy, Green Tag, or final payment disbursement, depending on the program, and represents a new or fully rehabilitated unit on the ground. Typically, approvals represent work completed this year, under construction represents work completed the year prior, and completions represent staff work completed two or more years in the past.

The more detailed development pipeline data is attached. The distribution of housing units in the development pipeline for FY 2021-2022 by Council District is shown in Exhibit 2. All Council Districts have residential units that are either City Council-approved and in predevelopment, under construction, or completed construction. There are 15,776 units in the development pipeline and 14,189 are supported by the following Housing initiatives: Notice of Funding Availability (NOFA), MIHDB, Land Bank, Land Transfer, LIHTC, DHFC, and the Dallas Public Facility Corporation (DPFC). The remaining 1,587 units are in predevelopment stages and supported by the Office of Economic Development (OED) in its Tax Increment Financing (TIF) and the Public/Private Partnership (PPP) programs.

Council District 8 has the most units (2,837) in the pipeline, followed by Council District 2 (2,462 units) and Council District 14 (2,370 units). The majority of Council District 8 pipeline units, for instance, resulted from the LIHTC, OED, MIHDB, and NOFA programs.

NOFA

The Notice of Funding Availability (NOFA) was increasingly utilized as a development tool for affordable housing in FY 2021-2022 and completed 497 housing units and got 663 units approved. This development tool helps to streamline the allocation of funds for affordable housing. The National Community Development Association conference recognized the *NOFA* program, used in Dallas and a limited number of other cities, as a best practice to utilize housing funds for affordable housing. *NOFA* allows flexibility for affordable housing developers that can apply for funding at any time.

LIHTC/DHFC/DPFC

Palladium Redbird was completed in March 2022 bringing 300 mixed-income units online in Council District 8. Palladium Redbird is the first completed NOFA project after Housing re-launched the program. The development included NOFA funds, tax credits, and a partnership with the Dallas Housing Finance Corporation. The National Association of Local Housing Finance Agencies (NALHFA) awarded the DHFC a “HOME Excellence” award and the National Community Development Association (NCDA) Awarded the City the Audrey Nelson Community Development Award for the Palladium Redbird development.

DATE October 20, 2022
SUBJECT **Department of Housing Performance Measure Update**

In FY 2021-2022, the DHFC saw construction begin on The Terrace at Southern Oaks (Council District 7), Meadowbrook Apartments (Council District 8), and Highpoint at Wynnewood (Council District 1) which will bring 700 new mixed-income units to the City in 18-24 months. The DHFC is the general partner in each development. This represents an over \$155,000,000 investment into affordable housing throughout the City. The DHFC also granted preliminary approval/inducement for an additional 1,507 units to hopefully begin construction in FY 2022-2023.

The Dallas Public Facility Corporation (DPFC) began construction on NRP Mountain Creek (Council District 8) and the Standard at Royal (Council District 6). These DPFC developments will bring 624 mixed-income units to the City in 18-24 months and represents an over \$128,000,000 investment into workforce housing throughout the City. The DHFC also granted preliminary approval/inducement for an additional 2,019 units to hopefully begin construction in FY 2022-2023. 332 of the approved DPFC units includes Trove Valor, a 1,000 Unit Affordable Housing Challenge development in Council District 4.

In February 2022, five 9% competitive tax credit developments received resolutions of support from City Council totaling 542 mixed income units. It is anticipated that three of the five developments will be awarded tax credits totaling 370 units spread throughout Council Districts 2, 10, and 11 representing an estimated \$1,117,000,000 investment into mixed income housing for the City. Kiva East, an 87-unit FY 20-21 9% tax credit development, broke ground in Council District 2 in September 2022 and included approximately \$2.5 million in HOME funding through Housing's NOFA program.

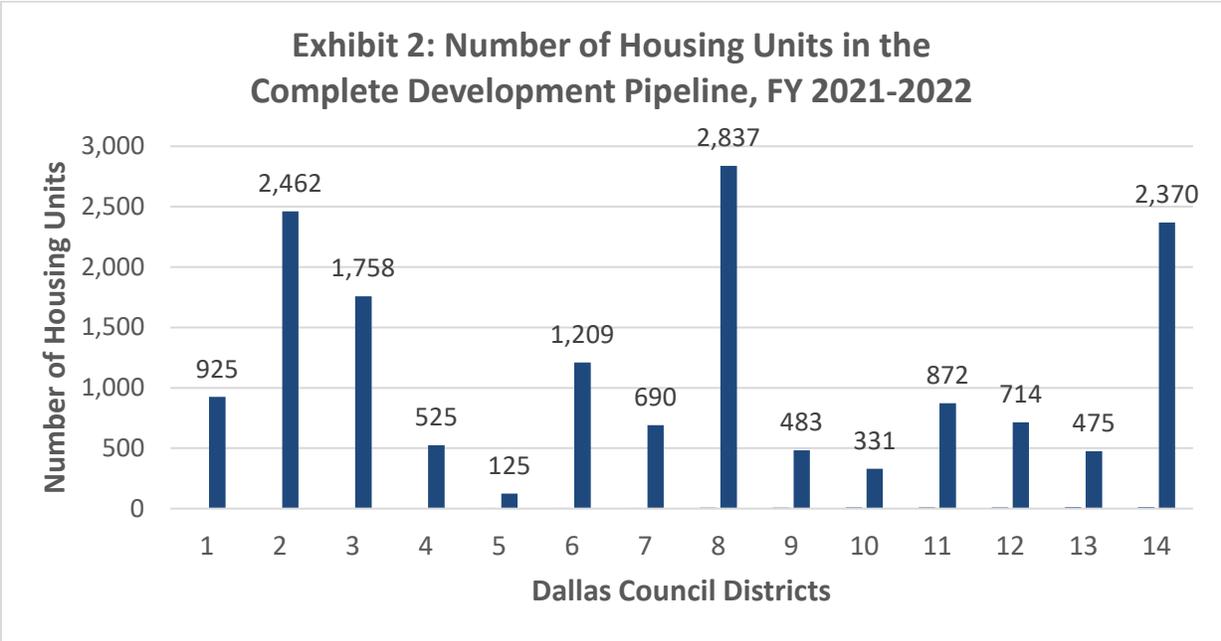
At present, the DHFC/LIHTC program has roughly \$640,000,000 under construction and the DPFC has roughly \$128,000,000 under construction totaling over \$768,000,000. Upon completion, this will result in 3,656 new or substantially renovated units throughout the City – these figures include developments approved in prior fiscal years.

MIHDB

In FY 2021-2022, 1,320 housing units in the Mixed Income Housing Development Bonus (MIHDB) program were completed. Developers started construction on 2,407 units during the fiscal year. Another 16 developments submitted an approved MIHDB program application. These numbers are starkly up from the previous fiscal year, when no developments had completed construction and only two had received a building permit. The MIHDB program incentivizes mixed income development by incentives for developers to reserve housing units onsite or to pay a fee in lieu of building reserved units onsite. Staff is currently refining procedures to collect in lieu fees from developers for future mixed income developments.

The 1,000 Unit Affordable Housing Development Challenge

The Dallas Public Facility Corporation Board of Directors approved a memorandum of understanding and term sheet with Lavoro Acquisitions to develop Trove Valor, a 1,000 Unit Affordable Housing Challenge Development located at 4015 South Lancaster Boulevard. This transit-oriented development (TOD) will provide approximately 332 mixed income units with 10% reserved for residents earning less than 60% AMI, 40% reserved for residents earning less than 80% AMI, and 50% of the units are non-income restricted. The development will also include retail and other community spaces. On September 28, 2022, City Council approved the DPFC’s ownership of the project. Construction is anticipated to commence in 2023 upon receipt of building permits.



Land Bank and Land Transfer Programs

The Land Bank and Land Transfer programs made significant progress in providing lots for affordable single-family homes and sold 210 lots to affordable housing developers in FY 2021-2022. Housing developers completed construction on 25 homes in the Land Bank program and 33 homes in the Land Transfer program in FY 2021-2022.

Projections for FY 2021-2022

Projections are an estimate of production and repair accomplishments in Housing programs for the upcoming fiscal year. The projections are based upon the program manager’s knowledge of past performance, current projects, construction contractor capacity, legal process approvals, past governmental approvals for projects, known barriers to home ownership or repairs, community resources, and funding approvals.

DATE October 20, 2022
 SUBJECT Department of Housing Performance Measure Update

Accomplishments (actuals) are tracked on a unit-by-unit basis for all developments, including single-family homes by program. There will be differences between the numbers tracked in the Complete Development Pipeline versus Production Numbers (actuals), particularly for single-family homes. The Complete Development Pipeline lists large, single-family developments as a single line rather than by address. Actuals are reported as each individual home is permitted and constructed, even if the development has more units in total in the pipeline to be permitted or constructed. Actuals are used to evaluate whether Housing programs met projected outcomes.

Housing development programs met or exceeded projections in most cases for FY 2021-2022 (Exhibit 3).

| Exhibit 3: Projected Development Units (P) Versus Actual Accomplishments, FY 2021-2022 | | | | | | | | | | |
|---|----------|-------------|---------------|------------------|-------------------|----------------------|-----------------|--------------------|-----------|--------------|
| | (P) NOFA | NOFA Actual | (P) Land Bank | Land Bank Actual | (P) Land Transfer | Land Transfer Actual | (P) DHFC/ LIHTC | DHFC/ LIHTC Actual | (P) MIHDB | MIHDB Actual |
| Units Approved | 450 | 663 | 25 | 0 | 37 | 68 | 1200 | 4,068 | N/A | N/A |
| Units Permitted | 70 | 17 | 19 | 27 | 105 | 31 | 600 | 1,411 | 980 | 2,407 |
| Units Complete | 0 | 497 | 22 | 25 | 26 | 33 | 0 | 300 | 1086 | 1,320 |

Initial projections also included 849 completed homes under the “Multiple” category, which was how Housing reported projects that used more than one program. Reports have become more specific, instead counting those units in each project and a single time in the Total field. Housing reached and exceeded its goals in total production.

Repair

Housing launched the annual *Home Improvement and Preservation Program (HIPP)* application process on August 1, 2022 and collected 623 applications on August 20, 2022. Staff is continuing to review applications for eligibility and continues to move the process forward. In September, 11 agreements were signed by applicants to move forward. Currently 53 homes are under construction and 7 homes are in predevelopment processes. Contractors completed construction on one home. Housing launched a NOFA related to the HIPP Major Home Rehabilitation and Home Reconstruction Programs, with the goal of hiring a contractor or subrecipient to administer the HIPP programs. Housing also awarded 4 Minor Home Rehabilitation subrecipients agreements to administer the Minor Program serving approximately 60 people in FY 2022-2023.

The *West Dallas Targeted Repair Program (TRP)* continues to receive new applications. Applicants signed three agreements to start construction. Currently 12 homes are under construction for this program and 42 homes are in predevelopment processes. Contractors completed construction on 13 homes in September.

DATE October 20, 2022

SUBJECT **Department of Housing Performance Measure Update**

One applicant signed the agreement for The *Healthy Homes Lead Reduction (HHLR) Program*. Eleven homes are in the predevelopment processes.

The *Dallas Tomorrow Fund (DTF)* continues to receive new applications. In September, Housing had one applicant sign an agreement to start construction on one home. Currently six homes are under construction, and 36 homes are in the predevelopment processes. Construction was completed on one home.

The *American Rescue Plan Act Neighborhood Revitalization Program (ARPA NRP)* is accepting applications for home repairs in the Joppa, Historic Tenth Street, and Five Mile neighborhoods. The program qualified 12 households in September. Three applicants signed agreements to move forward. Currently 44 homes are in the predevelopment processes for all *ARPA* programs.

Fiscal Year Summary for Repair

Repair ended the fiscal year with momentum on construction and the American Rescue Plan Act Neighborhood Revitalization Program (ARPA NRP) having committed most of its funding for the initial three areas identified for work. The repair programs collectively completed 87 home repairs in FY 2021-2022. Out of 72 homes currently under construction, 21 homes are currently 75% or greater complete on construction and these homes will most likely be completed within days or weeks. In September 2022, thirteen new agreements were approved across repair programs. There are a total of 140 homes in preconstruction phases.

Other programs now have the legal framework necessary to accept applications, such as *Healthy Homes Lead Reduction (HHLR) Program* and *The Minor Home Repair Program*. The HHLR legal review process took time to create documents for the complexities of remediating lead. The Minor Home Repair Program has a start-up time of September 2022 after staff completed the sub-recipient process with 4 non-profit organizations to administer the program.

Housing continues to revise how summary data is compiled. Last month's summary table for HIPP included duplicates that were not caught. The revised total for completed home repairs in FY 2021-2022 is 87, not 101 as reported, with 53 of them from HIPP.

The end of FY 2021-2022 distribution of home repairs (Exhibit 4) shows that Council Districts with targeted programs have the highest number of homes in process. Council District 6 has the most homes in process or completed construction, with 97 in total, and is a direct result of the West Dallas Targeted Rehab Program, and Council District 7 has 68 homes in various stages of repair. The yearly projected goals were not met this fiscal year and many programs are underway and have homes under construction. FY 2022-2023 is expected to have increases in accomplishments for completed repairs for recently launched programs. HIPP, ARPA, West Dallas, and HHLR will most likely have increases in production in FY 2022-2023 (Exhibit 5).

DATE October 20, 2022

SUBJECT Department of Housing Performance Measure Update

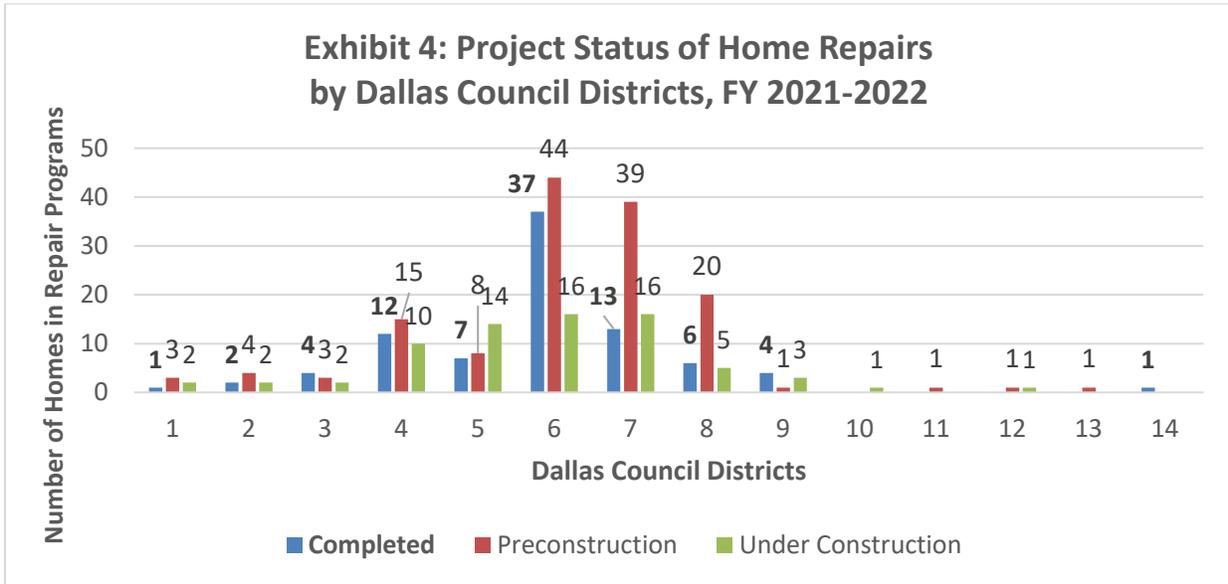


Exhibit 5: Projected Home Repairs (P) Versus Actual Accomplishments, FY 2021-2022

| | (P) HIPP | HIPP Actual | (P) West Dallas | West Dallas Actual | (P) Tenth Street | Tenth Street Actual | (P) Lead | Lead Actual | (P) DTF | DTF Actual |
|---------------------|----------|-------------|-----------------|--------------------|------------------|---------------------|----------|-------------|---------|------------|
| Households Approved | 30 | 54 | 62 | 42 | 14 | 3 | 30 | 2 | 30 | 35 |
| Agreements Signed | 30 | 28 | 79 | 23 | 14 | 2 | 30 | 1 | 30 | 16 |
| Units Repaired | 81 | 38 | 100 | 31 | 14 | 0 | 30 | 0 | 30 | 18 |

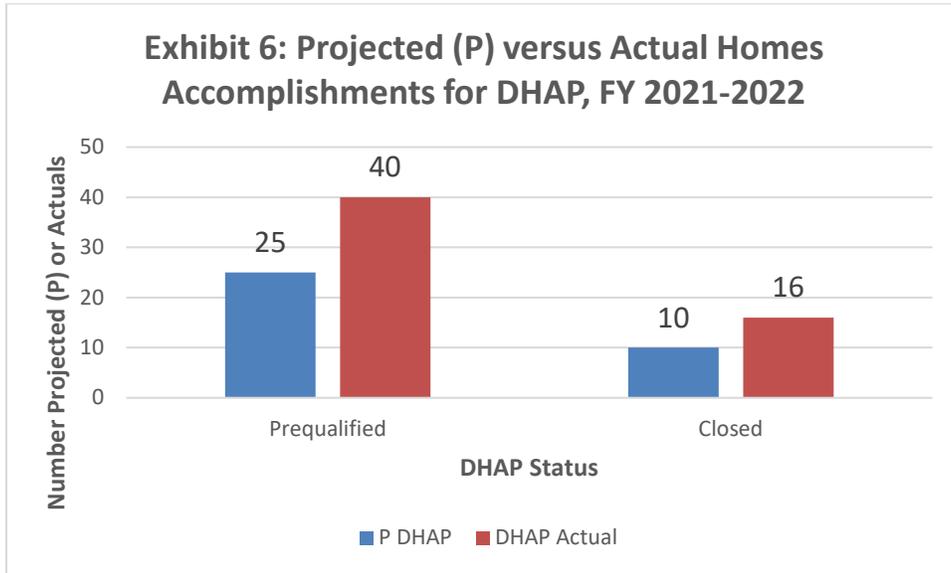
DHAP

Two contracts in the *Dallas Homebuyer Assistance Program (DHAP)* closed in September for a total of 16 *DHAP* homes assisted to date in FY 2021-2022. Five applicants were prequalified to move forward with the process.

As home prices and mortgage interest rates continue to rise, buyers and lenders find that the \$40,000 allowable in this program is increasingly not enough to cover the gap in household income and monthly housing costs.

Despite the market challenges with rising home prices, the DHAP program exceeded its projected goals for FY 2021-2022 (Exhibit 6).

DATE **October 20, 2022**
SUBJECT **Department of Housing Performance Measure Update**



Housing Building Permits

Dallas issued new construction permits on 1,595 new housing units in September 2022 for a total of 11,357 new units to date in FY 2021-2022. This fiscal year to date, 2,993 units supported by Housing have received a permit, meaning that 26% of housing units permitted in Dallas so far this year have received support from the City.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619.

Majed A. Al-Ghafry, P.E.
Assistant City Manager

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Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE October 20, 2022

Honorable Members of the City Council Housing and Homelessness Committee: Casey Thomas II (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Upcoming Agenda Item: DHFC Acquisition of The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road**

This memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on November 9, 2022 to authorize the Dallas Housing Finance Corporation (DHFC or Corporation) to issue tax-exempt essential function bonds to finance, acquire, and own The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road (Project). This acquisition provides the City with the opportunity to convert an existing Class-A multi-family property to mixed-income, workforce housing in a high opportunity area of the City near job centers, transportation, parks, retail, and other high-quality amenities. The DHFC Board of Directors approved a term sheet with AMCAL Equities LLC (Applicant), and staff recommends City Council approval of this item.

BACKGROUND

AMCAL Equities LLC (Applicant or AMCAL), submitted an application to the Dallas Housing Finance Corporation (DHFC or Corporation) to issue tax-exempt essential function bonds to finance, acquire, and own The Dylan, a 125-unit multi-family development, located at 4533 Cedar Springs Road (Project). The Corporation will own the site and improvements while contracting with the Applicant who will act as the Project Administrator. Pursuant to the Texas Housing Finance Corporation Act, Chapter 394 of the Texas Local Government Code (Act), a Housing Finance Corporation 1) may issue bonds to acquire affordable housing and 2) any residential property owned by a Housing Finance Corporation is exempt from all ad valorem taxes. As with all bonds issued by the DHFC, they are non-recourse to both the City and the Corporation. They are not liabilities of the City and are repaid solely through the revenues of the Project.

The Project is currently market rate/non-income restricted. However, upon acquisition by the DHFC, at least 40% of the units will be reserved for residents earning below 80% Area Median Income (AMI), 10% of the units will be reserved for residents earning below 60% AMI, 40% of the units will be reserved for residents earning between 80-140% of AMI, and 10% of the units will be market rate.

The owner of the project will be DHFC The Dylan Apartments, LLC, a to-be-formed limited liability company having the DHFC as its sole owner. AMCAL Equities LLC (AMCAL), a limited liability company authorized to do business in Texas, is a real estate development firm that specializes in mixed-income and workforce multi-family projects throughout the

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SUBJECT **Upcoming Agenda Item: DHFC Acquisition of The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road**

country. AMCAL has over 43 years of experience in acquiring and developing multi-family communities throughout California, Texas, and Washington. They have successfully developed over 2,500 units in the state of Texas with another 1,600 units currently under construction.

The Project consists of 125 residential units. The unit mix includes 46 one-bedroom units and 79 two-bedroom units. Included in the 125 units are 35 townhouses with a private parking garage on the first floor and two floors of residential above. The units include energy efficient appliances, granite countertops, in-unit washer/dryers, and other Class-A features. The Property also includes a resort-style swimming pool, a fitness center, business and conference rooms, and a common area lounge. The Project does not require a zoning change because it is already existing and in operation. The Market Value Analysis (MVA) Market Type is Type E. The Project is currently 95% occupied.

Upon acquisition, the unit mix and rental rates will be the lesser of the Texas Department of Housing and Community Affairs (TDHCA) published income restricted rents or market rents:

| Unit Type | AMI | Rent |
|-----------|---------|------------|
| 1BR | 60.00% | \$1,095.00 |
| 1BR | 80.00% | \$1,461.00 |
| 1BR | 140.00% | \$2,556.00 |
| 1BR | Market | \$1,770.00 |
| 2BR | 60.00% | \$1,315.00 |
| 2BR | 80.00% | \$1,754.00 |
| 2BR | 140.00% | \$3,069.00 |
| 2BR | Market | \$2,004.00 |
| 2BR TH | 60.00% | \$1,315.00 |
| 2BR TH | 80.00% | \$1,754.00 |
| 2BR TH | 140.00% | \$3,069.00 |
| 2BR TH | Market | \$2,771.00 |

All income qualifying residents that are currently paying more than the TDHCA income restricted rents will see their rents lowered to that amount instead of being increased to market rents. This represents annual average rent savings of \$306/month or \$3,678/annually for residents earning less than 80% AMI compared to current market rents across all unit types. The rents for individuals and families earning between 60% and 80% AMI are meant to provide housing to the “missing middle” of the market: residents that earn above low-income housing tax credit income restrictions of 60% AMI but would be cost burdened by market rents. These incomes range from approximately \$54,560.00 to \$77,900.00 in the City based on family size and represent a wide variety of employment sectors including, but not limited to, teachers, first responders, government employees, health care providers, etc. The rents for individuals and families

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SUBJECT **Upcoming Agenda Item: DHFC Acquisition of The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road**

earning below 60% are included to provide deeper affordability at this high opportunity site. These incomes range from \$40,920.00 to \$58,440.00 depending on family size. The rents for 81% to 140% AMI restricted units function like market rate units, but are included to satisfy the requirements of the Act. The market rents are anticipated to grow much faster than the income restricted rents over the next 15 years resulting in exponential rental savings to residents earning less than 80% AMI. Total rental savings are estimated to be \$8,250,531.00 over 15 years.

All acquisition costs, including operating, debt service, and replacement reserves, are anticipated to be approximately \$42,900,000.00. The financing will be funded 100% by tax-exempt essential function bonds which will be issued by the DHFC.



| Proposed Financing Sources | | Amount |
|-----------------------------------|--|-------------------------|
| Series A Bonds | | \$ 28,900,000.00 |
| Series B Bonds | | \$ 11,500,000.00 |
| PSA Assignment Note | | \$ 2,500,000.00 |
| Total | | \$ 42,900,000.00 |
| Proposed Uses | | Amount |
| Acquisition | | \$ 34,750,000.00 |
| PSA Assignment Note | | \$ 2,500,000.00 |
| 3 rd Party Reports | | \$ 28,820.00 |
| Title/Survey | | \$ 175,000.00 |
| Insurance Escrow | | \$ 90,625.00 |
| Operating Reserve Fund | | \$ 422,321.00 |
| Debt Service Reserve Fund | | \$ 1,081,875.00 |
| Replacement Reserve Fund | | \$ 1,250,000.00 |
| Sponsor Fee | | \$ 1,500,000.00 |
| Financial Advisor | | \$ 175,000.00 |
| 250,000 Bond Counsel | | \$ 25,000.00 |
| Borrower Counsel | | \$ 505,000.00 |
| Underwriter Fee | | \$ 125,000.00 |
| Underwriter Counsel | | \$ 7,500.00 |
| Trustee | | \$ 7,500.00 |
| Trustee Counsel | | \$ 6,359.00 |
| Misc Closing Expenses | | \$ 34,750,000.00 |
| Total | | \$ 42,900,000.00 |

The Project will be owned by the DHFC outright, with the option to sell or refinance the Project beginning at year 15. Following the retirement of the bonds, the DHFC will own the asset free and clear. All of the excess cash flow will go toward the retirement of the

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SUBJECT **Upcoming Agenda Item: DHFC Acquisition of The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road**

bonds, further strengthening the financial position of the property and increasing the equity of the DHFC in the project. AMCAL will act as the Project Administrator to negotiate the Purchase Sale Agreement, provide the required deposit, assemble third party reports, and take on the risks of performing all the front-end “sponsorship” functions. Following the closing, the Project Administrator will work with the property manager in the administration of the Project, oversight of affordability compliance, operational management and in providing of information on Project performance to bond holders on behalf of the DHFC. As Project Administrator, AMCAL will receive a \$1.5 million fee paid at closing as well as 1% of gross collections per year annually for the administration of the project. AMCAL will also receive subordinate bond proceeds of \$2.5 million after the bond is retired in 15 to 35 years. This will act as compensation to AMCAL in consideration for the long-term administration and careful management of the property over the course of operations.

In consideration for the Corporation’s participation in the Project, the DHFC will receive an annual asset management fee of 0.5% of effective gross income. The DHFC will also receive 100% of net proceeds from the sale of the asset, which is conservatively estimated to be at least \$32 million in year 15 and \$93 million if it is held until year 30. These revenues generated for the Corporation will be used to fund operations and the provision of additional affordable and workforce housing throughout the City. Other cities that have utilized this essential use bond structure to provide workforce housing plan to refinance the debt in year 15 to provide deeper affordability at the properties (30%, 50%, and additional 60% AML units).

This proposed DHFC acquisition results in foregone tax revenues for the City until the project is sold and income restrictions are removed. The 2022 City tax bill for this property is \$202,991.00 and the 15-year estimate of foregone taxes is \$3,775,412.00. However, the workforce housing rental savings (\$8,250,531.00 over 15 years) and the estimated value of the property provides the City benefits that outweigh the foregone revenue. This acquisition and financial structure also allow the City to immediately own and provide mixed-income housing in a high opportunity area near jobs, parks, transportation, retail, and other amenities.

The DHFC’s estimated revenues were calculated by the DHFC’s partnership counsel and financial advisors. Market rent and sales comps were analyzed to ensure the project costs were reasonable for the market. Corporation financial advisors also confirmed that but for the ad valorem tax exemption and the issuance of tax-exempt bonds, the Project would not be economically feasible with the workforce housing income restrictions.

Staff and the Corporation’s Counsel and Financial Advisors have confirmed that this Project would not be feasible but for the Corporation’s participation and that the Project furthers the goals of the Comprehensive Housing Policy (CHP). Staff recommends approval of this item as it furthers the goals of the CHP by providing mixed-income

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SUBJECT **Upcoming Agenda Item: DHFC Acquisition of The Dylan, a 125-unit multi-family development located at 4533 Cedar Springs Road**

housing in a high opportunity area of the City with access to amenities, jobs, and other resources.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619.



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Memorandum



CITY OF DALLAS

DATE October 20, 2022

TO Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Terrace at Highland Hills**

LDG The Terrace at Highland Hills, LP, an affiliate of LDG Development, LLC (Applicant), submitted a Request for a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of The Terrace at Highland Hills, a new 300-unit multi-family development located at 3100 Persimmon Road, Dallas, Texas 75241 (Property). A Resolution of No Objection is required for the Applicant to receive 4% Housing Tax Credits from TDHCA. To receive a staff recommendation for a Resolution of No Objection, the Applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing as described in the Comprehensive Housing Policy (CHP). After review, the Applicant has satisfied all application requirements and staff recommend a Resolution of No Objection.

Background

LDG The Terrace at Highland Hills, LP (Applicant), a Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of The Terrace at Highland Hills, a 300-unit affordable multi-family complex located at 3100 Persimmon Road, Dallas, Texas 75241 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and an affiliate of the Applicant. TDHCA requires 4% Housing Tax Credit applicants provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for residents to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

On September 13, 2022, the Dallas Housing Finance Corporation (DHFC) Board of Directors authorized a preliminary inducement resolution declaring intent to issue \$60,000,000.00 in private activity bonds to fund the Development. The general partner of the Applicant is LDG The Terrace at Highland Hills GP, LLC, a Texas limited liability

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SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Terrace at Highland Hills**

company and a single asset entity with the DHFC as 100% owner. The DHFC will also own the land and lease the property to the Applicant.

Applicant is an experienced developer that has completed over 15,000 apartment units across the country, including roughly 7,000 units in Texas. They have recently partnered with the DHFC in three previous developments including The Ridge at Lancaster, Meadowbrook, and The Terrace at Southern Oaks. These developments are currently under construction and set to open in the next two years.

The Applicant proposes to develop 300 units. The 300 units are comprised of 36 1-bedroom, 120 2-bedroom, 132 3-bedroom units, and 12 4-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The Property will also include controlled gate access, a multipurpose community room, swimming pool, fitness center, theater room, children's playscape, full perimeter fencing, a gazebo area, picnic areas with grills, and landscaped walking paths.

The Applicant proposes to provide on-site resident services including:

1. 12 hours per week of after school tutoring;
2. 4 hours per week of adult financial literacy courses;
3. Food pantry;
4. Annual health fair and flu shots;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month; and
8. Weekly chore and preventative maintenance for elderly and disabled residents.

LDG will work with the Office of Innovative Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design (CPTED). Additionally, LDG will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

The site is situated on Persimmon Road near the intersection of Simpson Stuart Road and Bonnie View Road and is less than a mile from Paul Quinn College and three miles from UNT Dallas. These educational centers provide opportunity, valuable job training, and a place of employment for area residents. The development is located within the DART GoLink Inland Port Zone. This service provides on demand door to door service for passengers needing transportation to and from the area. Through the GoLink service, property owners can setup partnerships with the inland port businesses to provide free door to door service to and from the businesses. The logistics industry is rapidly growing in Southern Dallas and will need to be serviced by employees seeking affordable housing.

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SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Terrace at Highland Hills**

The Southern Dallas County Inland Port is home to over 30,000 jobs and hundreds of employers and continues to grow to meet the needs of the region.

Total development costs are anticipated to be approximately \$78,352,111.00 which includes the acquisition price for the land. The hard construction budget is anticipated to be approximately \$50,132,754.00 which is \$167,109.00 per unit.

| Sources | |
|-----------------------------------|------------------------|
| Private Activity Bonds | \$48,270,000.00 |
| Housing Tax Credits Equity | \$27,633,262.00 |
| Deferred Developer Fee | \$ 2,448,849.00 |
| Total | \$78,352,111.00 |

| Uses | |
|-----------------------------------|------------------------|
| Development Costs | \$54,968,754.00 |
| Financing Fees, Soft Costs | \$12,881,329.00 |
| Reserves | \$ 1,439,535.00 |
| Developer Fee | \$ 9,062,493.00 |
| Total | \$78,352,111.00 |

After the development is complete, 270 of the 300 units will be made available to households earning 0%-60% of Area Median Income (AMI) and 30 of the 300 units will not be income restricted.

The Development is within one mile of The Ridge at Lancaster and Palladium Simpson Stuart, recent 4% housing tax credit projects located at 5703 South Lancaster Road and 3380 Simpson Stuart Road, respectively. Per the requirements of TDHCA's Qualified Action Plan and 10 TAC § 11.3(d), City Council must vote to specifically approve the construction of a new tax credit development within one linear mile of a tax credit development authorized within the past three years. The agenda item includes language acknowledging this proximity.

The Development is located within a census tract with a poverty rate over 40%. Per the requirements of TDHCA's Qualified Action Plan and 10 TAC §11.101(a)(3), City Council must specifically approve the construction of a new tax credit development in such a census tract. The agenda item includes language acknowledging the high poverty rate.

The Development is located within a census tract with 20% Housing Tax Credit Units per total households. Per the requirements of TDHCA's Qualified Action Plan and 10 TAC §11.3(e) and §11.4(c)(1), City Council must specifically approve the construction of a new tax credit development in such a census tract and that the proposed Development is consistent with the City's obligation to affirmatively further fair housing. The agenda item includes language acknowledging this requirement.

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Terrace at Highland Hills**

The Development has been found to affirmatively further fair housing by the Office of Fair Housing.

The Dallas City Council on May 9, 2018, adopted the Comprehensive Housing Policy (CHP), Resolution No. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing developments seeking Housing Tax Credits (HTC) through TDHCA. On June 12, 2019, Council Resolution No. 19-0884 authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing Tax Credits through TDHCA. The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

Recommendation

The Development satisfies the threshold requirements of the CHP and Staff recommends City Council authorize a Resolution of No Objection for LDG The Terrace at Highland Hills, LP's application to the Texas Department of Housing and Community Affairs for Non-Competitive 4% HTC.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619.



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Memorandum



CITY OF DALLAS

DATE October 20, 2022

TO Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Crossing at Clear Creek**

LDG The Crossing at Clear Creek, LP, an affiliate of LDG Development, LLC (Applicant), submitted a Request for a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of The Crossing at Clear Creek, a new 264-unit multi-family development located at the Northeast Corner of Highway 175 and Woody Road, Dallas, Texas 75253 (Property). A Resolution of No Objection is required for the Applicant to receive 4% Housing Tax Credits from TDHCA. To receive a staff recommendation for a Resolution of No Objection, the Applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing as described in the Comprehensive Housing Policy (CHP). After review, the Applicant has satisfied all application requirements and staff recommends a Resolution of No Objection.

Background

LDG The Crossing at Clear Creek, LP (Applicant), a Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of The Crossing at Clear Creek, a 264-unit affordable multi-family complex located at the Northeast Corner of Highway 175 and Woody Road, Dallas, Texas 75253 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and an affiliate of the Applicant. TDHCA requires 4% Housing Tax Credit applicants provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

Applicant or its affiliate shall form LDG The Crossing at Clear Creek, LP, a Texas limited partnership, the general partner of which will be LDG The Crossing at Clear Creek, GP, LLC, a to-be-formed single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). LDG The Crossing at Clear Creek, SLP, LLC, a to-be-formed limited

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SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Crossing at Clear Creek**

liability company, or its affiliate, will be The Crossing at Clear Creek, LP's special limited partner. MBL Derbycity Development, LLC, a Texas limited liability company, will be 100% owner of the special limited partner. An amended and restated agreement of limited partnership will be executed to admit the tax credit equity investor as investor member once identified.

On September 13, 2022, the DHFC Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

LDG The Crossing at Clear Creek, LP or its affiliate will serve as the developer and guarantor of the project. LDG has successfully completed over 77 multi-family properties totaling 13,673 units. The proposed property manager is Capstone Real Estate Services, Inc. (Capstone). Capstone is a professional management company based in Austin, Texas that currently manages 35,000 multi-family units including over 21,000 affordable units.

The Applicant proposes to develop 264 units. The 264 units are comprised of 24 1-bedroom, 108 2-bedroom, 120 3-bedroom units, and 12 4-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The Property will also include controlled gate access, a multipurpose community room, swimming pool, fitness center, theater room, children's playscape, and landscaped walking paths.

Because the site has no sidewalk on the Woody Road border of the property, LDG has planned to develop a sidewalk to give residents better mobility between the property and nearby schools. The eastern portion of the site is mostly covered by flood plain and is planned to be dedicated as a park for residents to utilize. They will also work with the Office of Innovative Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design (CPTED). Additionally, the LDG will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

The Applicant proposes to provide on-site resident services including:

1. 12 hours per week of after school tutoring;
2. 4 hours per week of adult financial literacy courses;
3. Food pantry;
4. Annual health fair and flu shots;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month; and
8. Weekly chore and preventative maintenance for elderly and disabled residents.

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Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Crossing at Clear Creek

The site is situated conveniently at the corner of Woody Road and Highway 175 and is less than a mile to both Seagoville High School and Seagoville Middle School. Although the address is not yet serviced by a transit stop, the DART GoLink service is available from the Kleberg area. This service provides on demand door to door service for passengers needing transportation to and from the area.

Total development costs are anticipated to be approximately \$73,500,599.00 which includes the acquisition price for the land. The construction budget is anticipated to be approximately \$44,186,058.00 which is \$167,371.00 per unit.

| | |
|-----------------------------------|------------------------|
| Mortgage Loan | \$42,580,000.00 |
| Housing Tax Credits Equity | \$24,736,428.00 |
| Deferred Developer Fee | \$ 6,184,171.00 |
| Total | \$73,500,599.00 |

| | |
|-----------------------------------|------------------------|
| Acquisition | \$ 5,225,000.00 |
| Total Const. Costs | \$44,186,058.00 |
| Financing Fees, Soft Costs | \$14,370,055.00 |
| Reserves | \$ 1,270,662.00 |
| Developer Fee | \$ 8,098,824.00 |
| Other Costs | \$ 350,000.00 |
| Total | \$73,500,599.00 |

After the development is complete, 238 of the 264 units will be made available to households earning 0%-60% of Area Median Income (AMI), and 26 of the 300 units will not be income restricted.

The development is 1.08 linear miles away from a recently approved competitive 9% housing tax credit development located at 15251 Seagoville Road. Per the requirements of TDHCA’s Qualified Action Plan and 10 TAC § 11.3(d), City Council must vote to specifically allow the construction of a new tax credit development within one linear mile of a tax credit development authorized within the past three years. Using driving distance, the development is 1.4 miles away from the previously approved development. The agenda item includes language acknowledging this proximity.

The Dallas City Council on May 9, 2018, adopted the Comprehensive Housing Policy (CHP), Resolution No. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing developments seeking Housing Tax Credits

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Crossing at Clear Creek**

through TDHCA. On June 12, 2019, Council Resolution No. 19-0884 authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing Tax Credits through TDHCA. The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

Recommendation

The Development satisfies the threshold requirements of the Comprehensive Housing Policy and Staff recommends City Council authorize a Resolution of No Objection for LDG The Crossing at Clear Creek, LP's application to the Texas Department of Housing and Community Affairs for Non-Competitive 4% Housing Tax Credits.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

- c:
- | | |
|---|--|
| T.C. Broadnax, City Manager | M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager |
| Chris Caso, City Attorney | Dr. Robert Perez, Assistant City Manager |
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| Kimberly Bizer Tolbert, Deputy City Manager | Directors and Assistant Directors |
| Jon Fortune, Deputy City Manager | |

Memorandum



CITY OF DALLAS

DATE October 20, 2022

Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Rock Island Riverfront**

Rock Island Riverfront, LP, an affiliate of Petra Development (Applicant), submitted a Request for a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of Rock Island Riverfront, a new 178-unit multi-family development located at 1027 South Riverfront Boulevard, Dallas Texas 75207 (Property). A Resolution of No Objection is required for the Applicant to receive 4% Housing Tax Credits from TDHCA. To receive a staff recommendation for a Resolution of No Objection, the Applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing as described in the Comprehensive Housing Policy (CHP). After review, the Applicant has satisfied all application requirements and staff recommends a Resolution of No Objection.

Background

Rock Island Riverfront, LP (Applicant), a to-be-formed Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of Rock Island Riverfront, a 178-unit mixed-income multi-family complex located at 1027 South Riverfront Boulevard, Dallas, Texas 75207 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and an affiliate of the Applicant. TDHCA requires 4% Housing Tax Credit applicants provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

Applicant, or its affiliate, shall form Rock Island Riverfront, LP, a Texas limited partnership, the general partner of which is anticipated to be Rock Island Riverfront GP, LLC, a to-be-formed single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). A to-be-formed limited liability company will be Rock Island

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Rock Island Riverfront**

Riverfront, LP's special limited partner. Petra Development or an affiliate will be 100% owner of the special limited partner. An amended and restated agreement of limited partnership will be executed to admit the tax credit equity investor as investor member once identified.

On September 13, 2022, the DHFC Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

Petra Development (Petra) or its affiliate will serve as the developer and guarantor of the project. Petra has successfully built or acquired over \$220 million worth of multi-family assets including market rate, mixed-use, and affordable properties. They are very active in the market and currently have three more properties under construction slated to be complete in late 2022 with multiple more under contract.

The Applicant proposes to develop 178 units. The 178 units are comprised of 89 1-bedroom, 70 2-bedroom, and 19 3-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The Property will also include controlled gate access, a multipurpose community room, swimming pool, fitness center, outdoor game spaces, and landscaped walking paths.

Petra will work with the Office of Innovative Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design (CPTED). Additionally, Petra will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

The Applicant proposes to provide on-site resident services including:

1. Monthly transportation to community/social events;
2. High-quality pre-k program with dedicated space on-site;
3. 12 hours per week of after school tutoring;
4. Annual income tax preparation;
5. Contracted career training and placement partnerships with local employers;
6. Weekly substance abuse meetings on site;
7. Food pantry;
8. Annual health fair and flu shots;
9. Weekly exercise class;
10. Partnership with local law enforcement to provide quarterly activities with tenants;
11. Notary services;
12. Arts and crafts programming twice a month;
13. Organized social gatherings twice a month; and
14. Education/tuition savings match or scholarship program for residents.

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Rock Island Riverfront**

Located just a few blocks from downtown, this project will provide some much-needed affordability in an area that has not seen significant mixed-income development in recent years. Future and potential development surrounding this project location includes the \$2 billion Dallas Convention Center redevelopment, the potential \$20 billion high speed rail station, and several other planned multi-family developments and retail along Riverfront Boulevard. This area is poised to undergo an extended stage of redevelopment which will be a key driver for employment as well as housing.

Total development costs are anticipated to be approximately \$78,817,252.00 which includes the acquisition price for the land. The construction budget is anticipated to be approximately \$53,581,957.00 which is \$301,022.00 per unit.

| Private Activity Bonds | \$37,040,000.00 |
|-----------------------------------|------------------------|
| Housing Tax Credits Equity | \$27,913,835.00 |
| Soft Funding | \$ 9,975,000.00 |
| Deferred Developer Fee | \$ 3,888,417.00 |
| Total | \$78,817,252.00 |

| Acquisition | \$ 5,250,000.00 |
|-----------------------------------|------------------------|
| Total Const. Costs | \$53,581,957.00 |
| Financing Fees, Soft Costs | \$ 9,360,695.00 |
| Reserves | \$ 2,872,600.00 |
| Developer Fee | \$ 7,752,000.00 |
| Total | \$78,817,252.00 |

After the development is complete, 70 of the 178 units will be made available to households earning 0%-30% of Area Median Income (AMI), 24 of the 178 units will be made available to households earning between 51%-60% of AMI, 66 of the 178 units will be made available to households earning between 61%-80% of AMI, and 18 of the 178 units will not be income restricted.

The Dallas City Council on May 9, 2018, adopted the Comprehensive Housing Policy (CHP), Resolution No. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing developments seeking Housing Tax Credits (HTC) through TDHCA. On June 12, 2019, Council Resolution No. 19-0884 authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Rock Island Riverfront**

Tax Credits through TDHCA. The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

Recommendation

The Development satisfies the threshold requirements of the Comprehensive Housing Policy and Staff recommends City Council authorize a Resolution of No Objection for Rock Island Riverfront, LP’s application to the Texas Department of Housing and Community Affairs for Non-Competitive 4% Housing Tax Credits.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619



Majed A. Al-Ghafry, P.E.
Assistant City Manager

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- Genesis D. Gavino, Chief of Staff to the City Manager
- Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE October 20, 2022

TO Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Estates at Ferguson**

TX Ferguson 2022, LTD, an affiliate of Generation Housing Partners (Applicant), submitted a Request for a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of Estates at Ferguson, a new 164-unit senior living multi-family development located at 9220 Ferguson Road, Dallas, Texas 75228 (Property). A Resolution of No Objection is required for the Applicant to receive 4% Housing Tax Credits from TDHCA. To receive a staff recommendation for a Resolution of No Objection, the Applicant must satisfy all threshold requirements, rehabilitation requirements, and affirmatively further fair housing as described in the Comprehensive Housing Policy (CHP). After review, the Applicant has satisfied all application requirements and staff recommends a Resolution of No Objection.

Background

TX Ferguson 2022, LTD (Applicant), a to-be-formed Texas limited partnership, submitted a Request for Resolution application to the City for a Resolution of No Objection for its application to TDHCA for 2023 4% Non-Competitive Housing Tax Credits (4% Housing Tax Credits). The 4% Housing Tax Credits will be used for the development of the Estates at Ferguson, a 164-unit senior living multi-family complex located at 9220 Ferguson Road, Dallas, Texas 75228 (Property). A purchase and sale agreement for the Property has been executed between the current owner of the Property and an affiliate of the Applicant. TDHCA requires 4% Housing Tax Credit applicants to provide a Resolution of No Objection from the governing body of the jurisdiction in which the proposed development will be sited. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development. Once a resolution is adopted and submitted to TDHCA, it cannot be changed or withdrawn.

Applicant, or its affiliate, shall form TX Ferguson 2022, LTD, a Texas limited partnership, the general partner of which is anticipated to be Rock Island Riverfront GP, LLC, a to-be-formed single asset entity solely owned by the Dallas Housing Finance Corporation (DHFC). TX Ferguson 2022, SLP, a to-be-formed special limited partnership company will be TX Ferguson 2022, LTD's special limited partner. Generation Housing Partners

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Estates at Ferguson**

(GHP) and Hill Tide Development, or their affiliates will each be 50% owner of the special limited partner. An amended and restated agreement of limited partnership will be executed to admit the tax credit equity investor as investor member once identified.

On September 13, 2022, the DHFC Board of Directors adopted a resolution declaring its intent to issue bonds for the Property and authorized the filing of an application for allocation of private activity bonds with the Texas Bond Review Board.

GHP is a Dallas, Texas-based developer, owner, and asset manager of Class A multi-family assets located throughout the southwest. As a long-term owner, GHP has been involved in the development, construction, and management of over 4,000 units, with a capitalization value of approximately \$385,000,000.00. GHP has partnered with the DHFC in two other developments (Estates at Shiloh and Westmoreland Station) and are currently awaiting closing with another 9% tax credit project (Patriot Pointe). The proposed property manager, Asset Living (formerly Alpha Barnes), is based in Houston, TX with additional offices in Dallas and has 30 years of expertise and experience. Asset Living has developed approximately 20,000 units and currently manages over 24,000 units.

The Applicant proposes to develop 164 units. The 164 units are comprised of 99 1-bedroom and 65 2-bedroom units. The units will include energy efficient appliances, washer/dryer hookups, covered entries/patios, and other TDHCA-required features. The development will provide an abundance of amenities for residents, which will include barbeque grills, a resort-style ADA compliant swimming pool, community event center, theater room, business center, outdoor community garden, salon space, and a furnished fitness center. Also included will be a leasing area for the full-time staff as well as a maintenance room.

GHP will work with the Office of Innovative Public Safety Solutions for security input, community activities, and incorporate best practices of Crime Prevention Through Environmental Design (CPTED). Additionally, GHP will provide modern security features to include a full camera system, controlled access, a community crime watch program, and participation in National Night Out to ensure a safe living environment for all residents and staff.

The Applicant proposes to provide on-site resident services including:

1. 4 hours per week of organized on-site classes for adults;
2. Annual income tax preparation;
3. Annual health fair and flu shots;
4. Weekly exercise class;
5. Notary services;
6. Arts and crafts programming twice a month;
7. Organized social gatherings twice a month;

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Estates at Ferguson**

8. Weekly home chore and quarterly preventative maintenance for elderly or disabled tenants; and
9. Part-time resident services coordinator (minimum 15 hours/week).

This development will provide a vital boost to the desperate shortage of affordable, seniors-focused housing in the City. The pronounced lack of availability of seniors housing combined with the favorable location make this development very beneficial to the community that it is aiming to serve. It is positioned within a block of Buckner Boulevard at Ferguson Road with bus stops directly in front of the property. This allows residents without vehicles, or those who may no longer have the ability to drive, an option to move freely through the City. The White Rock Hills Branch Library is also directly behind the site, providing a location for this essential service where the residents would not have to cross a street to access.

Total development costs are estimated to be approximately \$41,494,398.00 which includes the acquisition price for the land. The construction budget is estimated to be approximately \$20,972,055.00 which is \$127,878.00 per unit.

| Private Activity Bonds | \$16,992,910.00 |
|-----------------------------------|------------------------|
| Housing Tax Credits Equity | \$15,231,892.00 |
| Soft Funding | \$ 8,000,000.00 |
| Deferred Developer Fee | \$ 1,119,596.00 |
| Deposit | \$ 150,000.00 |
| Total | \$41,494,398.00 |

| Acquisition | \$ 3,965,000.00 |
|-----------------------------------|------------------------|
| Total Const. Costs | \$20,972,055.00 |
| Financing Fees, Soft Costs | \$11,230,364.00 |
| Reserves | \$ 986,979.00 |
| Developer Fee | \$ 4,340,000.00 |
| Total | \$41,494,398.00 |

After the development is complete, 148 of the 164 units will be made available to households earning between 0%-60% of Area Median Income (AMI) and 16 of the 164 units will be made available to households earning between 0%-50% of AMI.

The Dallas City Council on May 9, 2018, adopted the Comprehensive Housing Policy (CHP), Resolution No. 18-0704 and 18-1680, as amended on November 28, 2018, which provided a policy including evaluation criteria for developers requiring Resolutions of

DATE October 20, 2022

SUBJECT **Request for a Resolution of No Objection for 4% Non-Competitive Housing Tax Credits – Estates at Ferguson**

Support or No Objection for rental housing developments seeking Housing Tax Credits through TDHCA. On June 12, 2019, Council Resolution No. 19-0884 authorized an amendment to the CHP to modify the evaluation criteria for developers requiring Resolutions of Support or No Objection for rental housing development seeking Housing Tax Credits (HTC) through TDHCA. The modified evaluation criteria include standard thresholds for both 4% and 9% HTC applications such as evidence of site control, TDHCA minimum site standards, affirmatively further fair housing, and other requirements.

Recommendation

The Development satisfies the threshold requirements of the Comprehensive Housing Policy and Staff recommends City Council authorize a Resolution of No Objection for TX Ferguson 2022, LTD's application to the Texas Department of Housing and Community Affairs for Non-Competitive 4% Housing Tax Credits.

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@Dallas.gov or 214-670-3619.



Majed A. Al-Ghafry, P.E.
Assistant City Manager

c: T.C. Broadnax, City Manager
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Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Memorandum



CITY OF DALLAS

DATE October 20, 2022

Honorable Members of the City Council Housing and Homelessness Committee: Casey Thomas II (Chair), Jesse Moreno (Vice Chair), Carolyn King Arnold, Paula Blackmon, Cara Mendelsohn, Paul Ridley, Jaynie Schultz

SUBJECT **Upcoming Agenda Item: Authorize a Resolution Approving the Assignment of Dallas Housing Finance Corporation Qualified Mortgage Revenue Bonds to the Texas Department of Housing & Community Affairs for the Texas Homebuyer Program in an Amount Not to Exceed \$25,000,000**

This memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on November 9, 2022 to authorize 1) the Dallas Housing Finance Corporation (DHFC or Corporation) to issue Qualified Mortgage Revenue Bonds (Bonds) for the purpose of obtaining funds to finance home mortgage loans for persons of low and moderate income and 2) the assignment of the Bonds to be administered by the Texas Department of Housing & Community Affairs (TDHCA) through the Texas Homebuyer Program in an amount not to exceed \$25,000,000.

BACKGROUND

The purpose of this agenda item is to consider and adopt a resolution authorizing 1) the Dallas Housing Finance Corporation (DHFC or Corporation) to issue Qualified Mortgage Revenue Bonds (Bonds) for the purpose of obtaining funds to finance home mortgage loans for persons of low and moderate income and 2) the assignment of the Bonds to be administered by the Texas Department of Housing & Community Affairs (TDHCA) through the Texas Homebuyer Program (Program) in an amount not to exceed \$25,000,000. As with all bonds issued by the DHFC, they are non-recourse to both the City and the Corporation. They are not liabilities of the City and are repaid solely by mortgage payments of the borrowers.

The Program is administered by TDHCA and targeted to first time homebuyers and veterans to provide below-market mortgages to Texans that include down payment assistance (DPA) included as either a forgivable or deferred second lien. Interest rates vary based on type of DPA received, location of the home, and market conditions at the time of close.

Different program options are offered to homebuyers seeking assistance in targeted or non-targeted areas. Targeted areas include qualified census tracts (QCTs) and areas of chronic economic stress, and these areas allow for higher purchase price limits and higher homebuyer income limits as compared to the non-targeted areas. A QCT is a census tract with over 50% of the population at or below 60% area median income (AMI)

“Our Product is Service”

Empathy | Ethics | Excellence | Engagement | Equity

DATE October 20, 2022

SUBJECT **Upcoming Agenda Item: Assignment of Dallas Housing Finance Corporation Qualified Mortgage Revenue Bonds to the Texas Department of Housing & Community Affairs for the Texas Homebuyer Program in an Amount Not to Exceed \$25,000,000**

or a poverty rate over 25%. This program is designed to increase home values and median incomes of QCTs and areas of economic stress.

TDHCA sets the income and purchase limits for the Program. The 2022 income limits are as follows:

Non-Targeted Area Income Limits:

- 1 or 2 person households: 100% AMI (\$97,400)
- 3 or more persons: 115% AMI (\$112,010)

Targeted Area Income Limits:

- 1 or 2 person households: 120% AMI (\$116,880)
- 3 or more persons: 140% AMI (\$136,360)

Non-Targeted Area Purchase Limits: \$374,551

Targeted Area Purchase Limits: \$457,784

Down payment assistance is also offered through the Program with the following terms for forgivable and deferred 2nd liens:

- Forgivable 2nd lien is forgiven after 36 months and repayable if sold within 36 months
- Deferred 2nd lien is repayable if or when home is sold
- Homebuyers must have a credit score of at least 620 and take an approved homeownership course

As of October 18, 2022, the interest rates for the program ranged from 5.625% to 7.50% depending on the targeted area, amount of down payment assistance provided, and if the down payment assistance was deferred or forgivable. Additional information can be found at the following website: <https://thetexashomebuyerprogram.com/>.

For this program to begin operating in the City, the DHFC must apply for a private activity bond cap through the Texas Bond Review Board and TDHCA. Once all the documents are approved, funds will be distributed through TDHCA's network of approved lenders. The DHFC does not have to provide any staff support or process any of the loan applications – this is all done through TDHCA. There is no significant risk to the City, the DHFC or investment in staff resources for this program to operate, making it a highly effective and low-cost tool that can be added to the mission of providing home-ownership opportunities for first time homebuyers and low- to moderate-income residents

On May 10, 2022, the Dallas Housing Finance Corporation Board of Directors authorized filing with the Texas Bond Review Board an application for reservation of state ceiling for issuance of qualified mortgage revenue bonds in the maximum amount of \$25,000,000.

DATE October 20, 2022

SUBJECT

Upcoming Agenda Item: Assignment of Dallas Housing Finance Corporation Qualified Mortgage Revenue Bonds to the Texas Department of Housing & Community Affairs for the Texas Homebuyer Program in an Amount Not to Exceed \$25,000,000

Should you have any questions or require any additional information, please contact me or David Noguera, Director, Department of Housing & Neighborhood Revitalization at David.Noguera@dallas.gov or 214-670-3619.



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