Dallas Public Facility Corporation (DPFC) – Pillars 1, 2, 3, 4, 5, 6, 7
Amended Month, Day, 2025, by Resolution No 25-???

~~Created by the City of Dallas in 2020, the Dallas Public Facility Corporation (DPFC) is a Texas public facility corporation and public nonprofit corporation governed by the Public Facility Corporation Act, Chapter 303 of the Texas Local Government Code, as amended (the "Act"). The DPFC is organized exclusively for the purpose of assisting the City in financing, refinancing, or providing "public facilities," as defined by the Act. In general, the DPFC seeks to develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80% of the area median income (AMI) as well as provide non-income restricted units.~~

~~The DPFC is authorized to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the City and pursuant to the Act.~~

**About Dallas Public Facility Corporation**
The City of Dallas Public Facility Corporation (DPFC) was created by the City of Dallas in 2020, in accordance with Chapter 303 of the Texas Local Government Code (Code) under the Public Facility Corporation Act (Act). Under the Code, the purpose of the DPFC is organized exclusively for the purpose of assisting the City in financing, refinancing, or providing "public facilities," as defined by the Act. To fulfill this purpose, the DPFC can develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80% of the area median income (AMI), as well as provide non-income-restricted units.

The DPFC is authorized to finance the acquisition of obligations issued or incurred in accordance with existing law, to provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing, and placement in service of public facilities as allowed by the City and pursuant to the Act.

**Partnerships**
The DPFC can partner with affordable housing developers to produce multifamily or for-sale housing. The DPFC can acquire an ownership stake in the development by becoming the General Partner (GP) of an ownership entity, right of refusal to purchase the improvements, and owning and controlling the land. DPFC is the sole member of the GP. DPFC can be the General Contractor to allow for sales tax exemption on construction materials.

**Policies and Procedures**

DPFC must have written policies and procedures that outline division of duties, application criteria, fair, transparent procurement procedures, board terms and assignment and methods to adjust any and all policy or procedure stated.

*City Staff Representation on the Board*

The OHCE Director or designee will have a seat on the Board of Directors as an ex-officio board member, to attend all Board meetings, including executive or closed sessions. The ex-officio member will not attend executive sessions involving corporate decisions for staffing.

*Staffing*

DPFC will hire staff for:

- General administration,
- Developer/applicant communication,
- Notifying OHCE staff of new applications received on a monthly basis,
- Project management,
- Project monitoring,
- Quarterly reporting,
- Annual education for developers,
- Attend and be the primary speaker at all Housing and Homelessness Solutions Committee (or others as needed or named) and City Council meetings when board-related agenda items are under consideration.

OHCE Staff will:

- Review projects against City policies,
- Long-term affordability monitoring,
- Perform administrative functions for items to be placed on Council Committee or Council agendas,
- Communication with the corporation staff on items for reviews, meetings with Councilmembers, questions on projects, and all other pertinent information.

*Applications*

- Applications for partnership agreements shall:
- Be submitted in writing to DPFC so that discussions and transactions can be discussed,
- Prioritize projects that have been designated for prioritization by City Council and confirmed by OHCE staff.
- Provide workforce housing in areas of greatest need to assist with eliminating concentration of poverty. These areas are Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and underdeveloped areas. DPFC projects will be limited to areas with high poverty rates greater than 20% unless the project is:
    - A conversion from an underutilized use to housing,
    - A renovation of existing housing only if deeper affordability is available,

- In a census tract with a rapidly changing market condition requiring more affordable housing, or demonstrate that the census tract is a high opportunity area,
- A development that will address slum and blight, urban nuisance, environmental contamination or environmental nuisance, or other public benefit as determined by Council from time to time use.
- Projects seeking any of these will require a ¾ City Council vote for approval.

The City of Dallas will not support tax exemptions or other municipal approvals for residential development projects located within city limits that are sponsored, owned, or operated by Public Facility Corporations (PFCs) formed by entities outside of the Dallas Public Facility Corporation (DPFC).

In alignment with House Bill 2071 (88th Legislature), which reformed Chapter 303 of the Local Government Code governing PFC operations, and to ensure local accountability, transparency, and alignment with city housing priorities, PFC-sponsored developments must be structured through the City's own PFC or an entity directly affiliated with the City of Dallas.

Additionally, applications may be denied if:

- Applicants have open projects underway that may limit their capacity to carry out the development being proposed, including projects with the City of Dallas, the DPFC and other non-City affiliated developments
- Project does not align with any term of the program statement, Statute, City of Dallas program or regulation.

DPFC will monitor and report the total tax-exempt value of its project portfolio in two ways. For each individual project seeking approval before the Housing and Homelessness Solutions (HHS) Committee and the Dallas City Council, DPFC will report the associated tax-exempt value. Also, DPFC will compile and report the total tax-exempt value of its entire portfolio on an annual basis. The annual report on tax-exempt properties shall be included as an agenda item at the DPFC Board meeting held in either November or December each year. The report shall be submitted to the Office of Housing and Community Empowerment no later than December 1st, alongside the DPFC annual financial audit.

DPFC will include a Public Benefit Analysis (PBA) with each project to be briefed to HHS Committee and for City Council consideration. The PBA should be at least 60% of the estimated property taxes. The PBA is calculated by comparing the value of the benefits received by the public to the cost of the property tax exemption. It is determined by adding the total anticipated revenue received over a 15-year period and the estimated rental savings over the same 15-year period and then diving that total amount by the property taxes that will be foregone over the 15-year period. If the percentage is below 60% a rationale shall be included that addresses the following:

- How the project will link housing to economic job opportunities,

- How the project will address older or ageing housing stock in the area,
- How the project will align services provided to the community.

*Community Input*

The Board Member appointed by the City Council member, the Board Chair, or the DHFC General Manager will alert the council member of all projects located within the Council district so that the Council Member can determine if further community engagement is needed.

*Relocation Policy*

For developments that are occupied by existing tenants and that are not otherwise subject to the Uniform Relocation Act (URA), the development proposal must include a Corporation approved relocation plan that: (1) Minimizes permanent displacement from the Development. In the event of permanent displacement, Applicants will be required to provide compensation to affected tenants that is otherwise in alignment with URA requirements; (2) Must provide reasonable notice to affected tenants prior to any temporary relocation and covers all reasonable out of pocket costs incurred by tenants as a result of moving from one unit to another within the Development or temporarily vacating their units to allow rehabilitation work to proceed; and (3) Applicant must meet all applicable state, federal, or local laws relating to displacement of tenants.

*Minimum Rehabilitation Requirements*

For rehabilitation projects, the proposed scope of work must be informed by a capital needs assessment (CNA), prepared by a qualified third-party professional that is independent from the Development's architect or engineer, builder/general contractor, or other member of the Development Team. The Corporation will review the CNA and conduct a site visit. The CNA must demonstrate to the Corporations satisfaction that the initial scope of work is sufficient to address all City code violations (whether formally cited or not) stated in the report. Further, the scope of work, combined with planned replacement reserve funding, must be determined sufficient to address all projected repairs or replacements of the following items through the entire term of the Development's affordability period:

- All major systems including roof, foundation, electrical, heating, ventilation, and air conditioning (HVAC), and plumbing,
- Interior and exterior windows and doors,
- The interiors of all units including the kitchen and bathroom and all major appliances,
- The exterior of the development, including balconies, walkways, railings, and stairs,
- Communal facilities such as community rooms, fitness centers, business centers, etc.,
- Security features including gates and security cameras, and
- All federal, state, and local accessibility regulations, including Americans with Disabilities Act (ADA) compliance and Texas Accessibility Standards (TAS).

**City Goals and Initiatives**
Prior to consideration by the Housing and Homelessness Solutions (HHS) Committee or Council, OHCE staff will:

- Review DHFC projects for compliance with Dallas Housing Resource Catalog (DHRC) goals, needs identified as priorities, and affordability compliance,
- Determine if project is located in a Tax Increment Finance (TIF) district and if so, the TIF board needs to receive notice and TIF board will determine if project will be reviewed and approved by the TIF board of directors before being considered by HHS Committee or Council,
- Require a Phase 1 Environmental Review to be conducted on all projects and to be further reviewed by the corporation to certify the review was cleared before presenting to committee and City Council.

If additional City incentives are requested in conjunction with DPFC tax exemptions, a second fiscal underwrite will be conducted by the Office of Economic Development for subsidy layering review before any commitments are authorized.

*Monitoring*
Long-term affordability monitoring will be conducted by OHCE staff, while project monitoring is conducted by corporation staff.

*Reporting*
DPFC staff will provide:

- Quarterly reports for the entity and each project in a form satisfactory to the Director of Housing and Community Empowerment, including financial information, use of revenue, property occupancy, crime statistics, project pipeline, and other information requested by the Director from time to time,
- Financial audits that must be completed and submitted to the Office of Housing and Community Empowerment no later than December 1st.
- Annually, the Board of Directors will present the corporation's financial status, assets and activities to the Housing Committee, as dictated in the statute.

*Revenue*
DPFC will limit uses of revenue to opportunities as defined by OHCE Director and the DHFC Board of Directors. A quarterly cumulative and annual report will be submitted to OHCE that details uses of revenue with an administrative breakdown. When City resources are utilized for administration for agenda items, compliance and monitoring or other services requested by the corporations, the corporations will reimburse the City for those costs. Uses of revenue will be accordance with state statutes and may include but are not limited to:

- Corporate Administration,
- Development activities such as but are not limited to; acquisition, construction, rehabilitation (multifamily), City services and infrastructure for contributions to housing,
- Projects that have been approved seeking gap financing for the project, DPFC will

prioritize using revenue to support the development,

- Funds will be made available to the City and developers annually through the corporation or in another approved application opportunity approved by OHCE Director and the Board. OHCE and the Board will collaborate on uses of funds that will be presented to the Housing Committee, or Funds will be made available to the Dallas Housing Opportunity Fund or any other funding provider to administer on behalf of the DPFC and/or city.