

Memorandum



CITY OF DALLAS

DATE June 27, 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 **Upcoming Agenda Item: Amendment to the Bylaws of the Dallas Public Facility Corporation**

This memorandum is to inform the Housing and Homelessness Solutions Committee of an upcoming agenda item on August 24, 2022 to authorize an amendment to the bylaws of the Dallas Public Facility Corporation (Corporation). The current bylaws only allow the Corporation to receive applications during an annual three-month period. This window limits the Corporation's ability to act on potential mixed-income housing developments that require the Corporation's Board of Directors and City Council approval in the other nine months of the year. Because suitable development sites for mixed-income housing become available throughout the year, Staff recommend removing the three-month application period language from the Corporation's bylaws and allowing the Corporation to receive applications on an ongoing basis. This will ensure the City can act on potential mixed-income housing developments as they become available.

BACKGROUND

Per Section 7.5 of the Corporation's bylaws, "Applications shall only be accepted during an annual three-month period, as specified by the General Manager." As noted above, potential development sites become available at all times throughout the year. Limiting the Corporation's ability to receive applications to three months out of the year hinders the City's ability to provide high-quality, mixed-income housing throughout the City. Many high-opportunity sites require swift action from developer, the Corporation, and City Council to meet the closing timelines set forth by property owners. If a site becomes available outside of the three-month application period, a developer does not have enough time to wait until the next application period opens. In the real estate market we are currently experiencing, a developer will only have about 30 to 60 days before removing contingencies and going hard on earnest money deposits. Developers will not risk these funds without at least an approved term sheet from the Corporation's Board of Directors. It is imperative that the Corporation is able to receive applications as potential developments become available to allow for the development of workforce and mixed-income housing throughout the City.

The ability to receive applications year-round is not without precedent in the City and has provided flexibility to the affordable housing development community. For instance, the Dallas Housing Finance Corporation (DHFC) receives applications on an ongoing basis. This has allowed the DHFC Board of Directors and Staff to process applications in a timely manner to meet State of Texas tax credit and private activity bond deadlines. The

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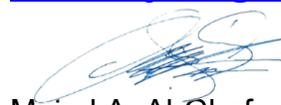
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Comprehensive Housing Policy (CHP) also allows year-round applications for 4% housing tax credit Resolutions of No Objection. Application deadlines are provided by Staff only to inform developers of when applications must be submitted in order to receive committee and City Council approval; the applications can be submitted at any time. In August 2020, the Department of Housing & Neighborhood Revitalization modified its Notice of Funding Availability (NOFA) to function as a standing application in order to receive proposals as they become available. This has resulted in a more diverse array of project types and development partners as well as better performance in meeting federal grant timeliness tests. The Office of Economic Development also receives development incentive applications on an ongoing basis to participate in economic development activities as they become available.

The first three-month application period opened on October 1, 2021 and closed December 31, 2021. Staff received 13 applications. The next three-month application period was opened on May 1, 2022 and will close July 31, 2022. Staff has received one application in this application period and anticipate an additional five to seven applications. Under the current bylaws, the Corporation would not be able to receive an application until May 1, 2023. Many potential mixed-income and workforce housing development opportunities will come on the market between now and then and the City will not be able to act. Removing the three-month application period requirement will allow the Corporation and City to act in a timely manner to partner in the development of mixed-income housing that furthers the goals of the CHP.

Staff recommends approval of this item to allow the Corporation to receive applications on an ongoing basis in a manner similar to most other Housing and Economic Development programs of the City in order to better respond to the real estate development market.

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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