



City of Dallas

Dallas Public Facility Corporation Overview

**Housing & Homelessness
Solutions Committee
August 26, 2024**

Cynthia Rogers-Ellickson, Director
Department of Housing & Neighborhood Revitalization
Keith Pomykal, DPFC Board President
Ken Montgomery, DPFC Board Vice President

Purpose of the Presentation



- To provide an update on the status of the Dallas Public Facility Corporation (DPFC)
- To discuss the benefits of the DPFC and how it supports affordable housing and the City of Dallas
- To discuss revenue, both generated and foregone
- To discuss improvements and next steps



Presentation Overview



- Background
- DPFC Portfolio
- Revenue and Expenses
- Potential Revenue Usage
- Property Tax, Rent Savings, and Revenue Analysis
- Housing Programs Comparisons
- Cost Benefit
- Property Management
- Process Improvement



Background



- Authorized by Chapter 303 of the Texas Local Government Code in 1999 – the Public Facility Corporation Act (Act)
- Dallas Public Facility Corporation (DPFC) was created on June 24, 2020
- Act Summary (as updated by changes in 2023):
 - The DPFC owns the property
 - A PFC may only operate in a Sponsor's boundaries
 - Any public facility owned by a PFC is exempt from all property taxes
 - Eligible projects are New Construction, Conversion from Non-Multifamily to Multi-family and Purchase of Occupied Multi-Family Development
 - Primarily used for the development of **mixed-income/workforce housing** development:
 - 10% of the units reserved for families at or below 60% of the Area Median Income
 - 40% of the units reserved for families at or below 80% of the Area Median Income
 - 50% of the units at market rate above 80% of the Area Median Income



Background



- Dallas City Council appoints a 15-member Board (Board)
 - One board member from each council district appointed by the district's council member and one at-large board member appointed by the mayor
 - Board members serve a term of 6 years and up to 2 consecutive terms
- The Board manages the property and affairs of the DPFC
 - Bracewell LLP is used for all legal services including closings
 - Hilltop Securities Inc. is used for all project evaluation including underwriting and financial review
 - Brown, Graham & Company PC for all accounting services
- The Department of Housing & Neighborhood Revitalization (Housing) provides 3 staff members (reimbursed positions) to assist the Board in administering the corporation



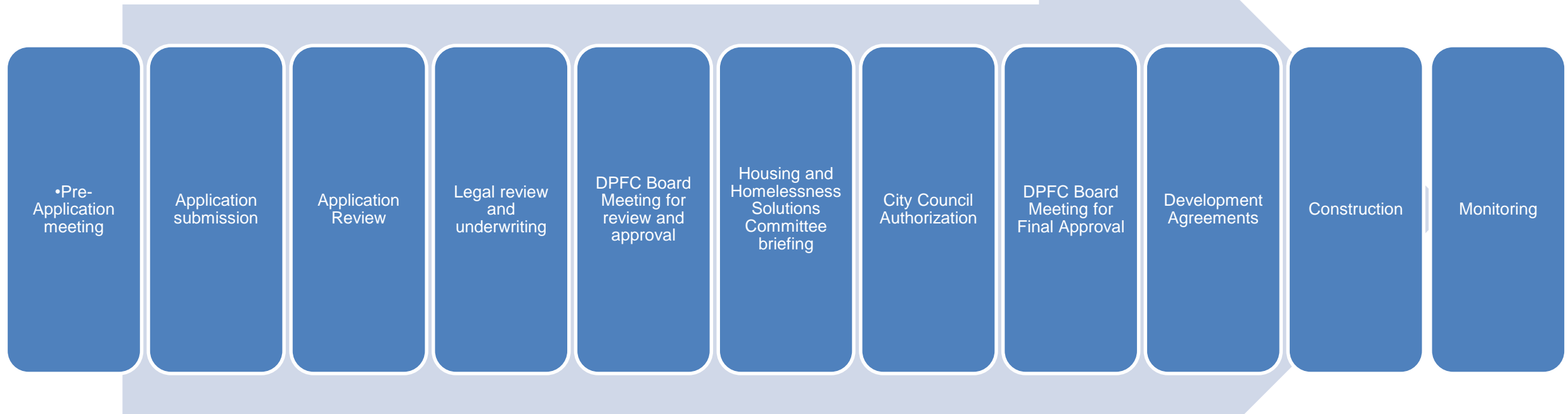
Background



- All PFC projects are underwritten to determine reasonableness and feasibility at the time of application. This prevents over-subsidizing and ensures that developers have capacity to complete projects. Reviews include at minimum:
 - Financials
 - Experience
 - Partnerships
 - Sources of funding
- The goals of the DPFC and the application requirements are designed to achieve the following:
 - Ensure that:
 - there is no source of income discrimination at the property
 - the project affirmatively furthers fair housing in the City of Dallas
 - the developers and property managers of DPFC projects engage in affirmative marketing plans
 - future residents receive enhanced protections for the life of the property
 - a diverse unit mix to provide housing options for families with children
 - all DPFC projects are in alignment with the Dallas Housing Policy 2033 and adhere to the broader affordable housing industry's rent and income standards
 - AMI targets are adjusted for family size
 - rent restrictions are based on 30% of the applicable AMI restricted levels as established by HUD, TDHCA



Background





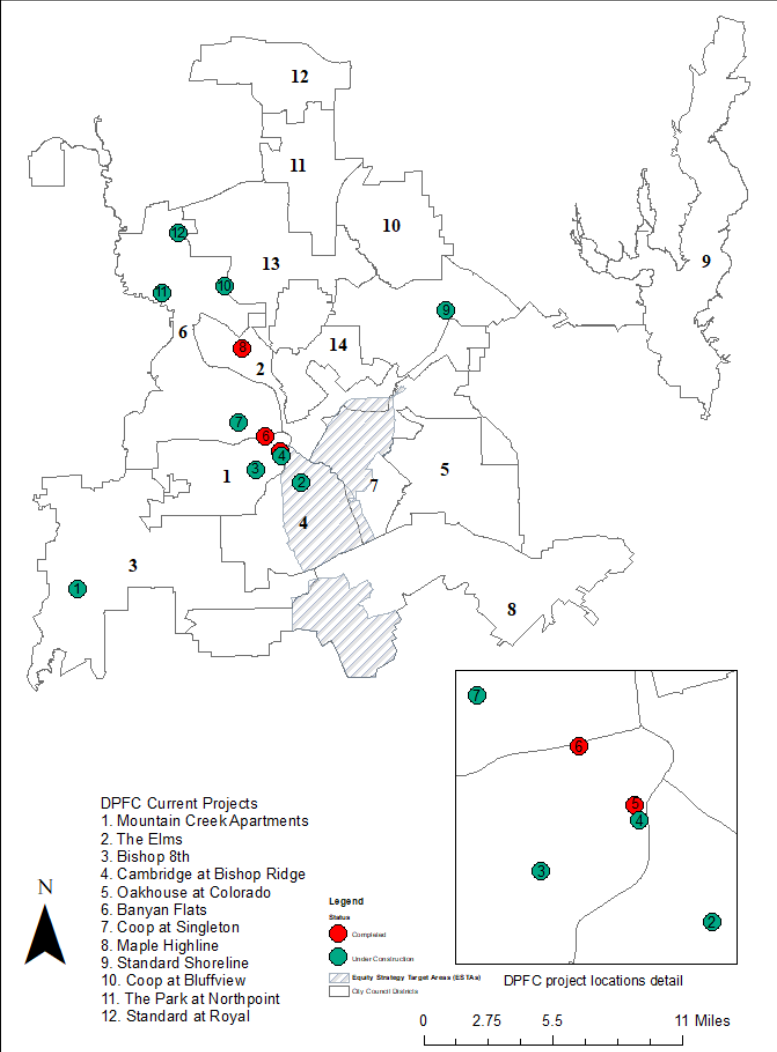
- **Projects - 12**
 - First Project Closed: June 29, 2022
 - Pre-Leasing: 3
 - Under Construction: 7
 - Pending Permits: 2
 - Total Project Costs: \$689,460,627
 - Average Project Cost: \$57,455,052
 - Total Number of Units: 2,999
 - Average Project Size: 250 Units
 - Total Number of Affordable Units: 1,518 (51%)



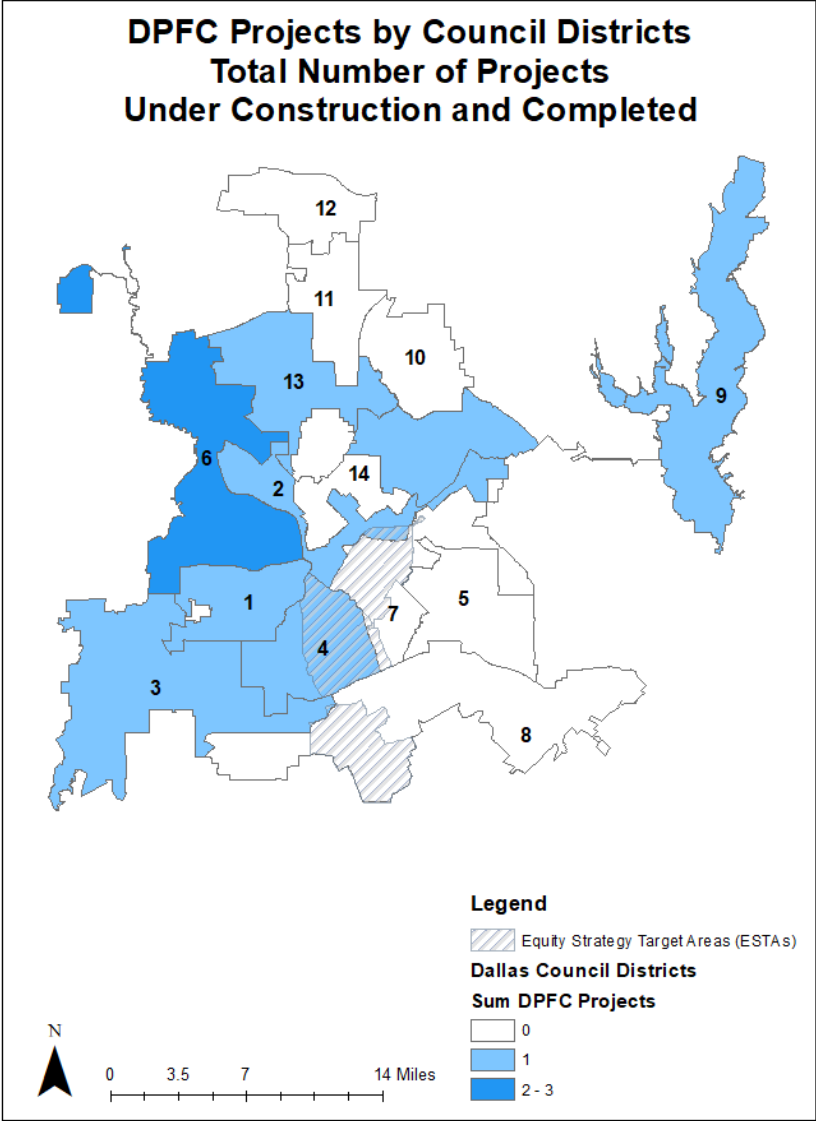
DPFC Portfolio



DPFC Projects Under Construction or Completed



DPFC Projects by Council Districts
Total Number of Projects Under Construction and Completed



Council District	# Projects
1	4
2	1
3	1
4	1
5	0
6	3
7	0
8	0
9	1
10	0
11	0
12	0
13	1
14	0

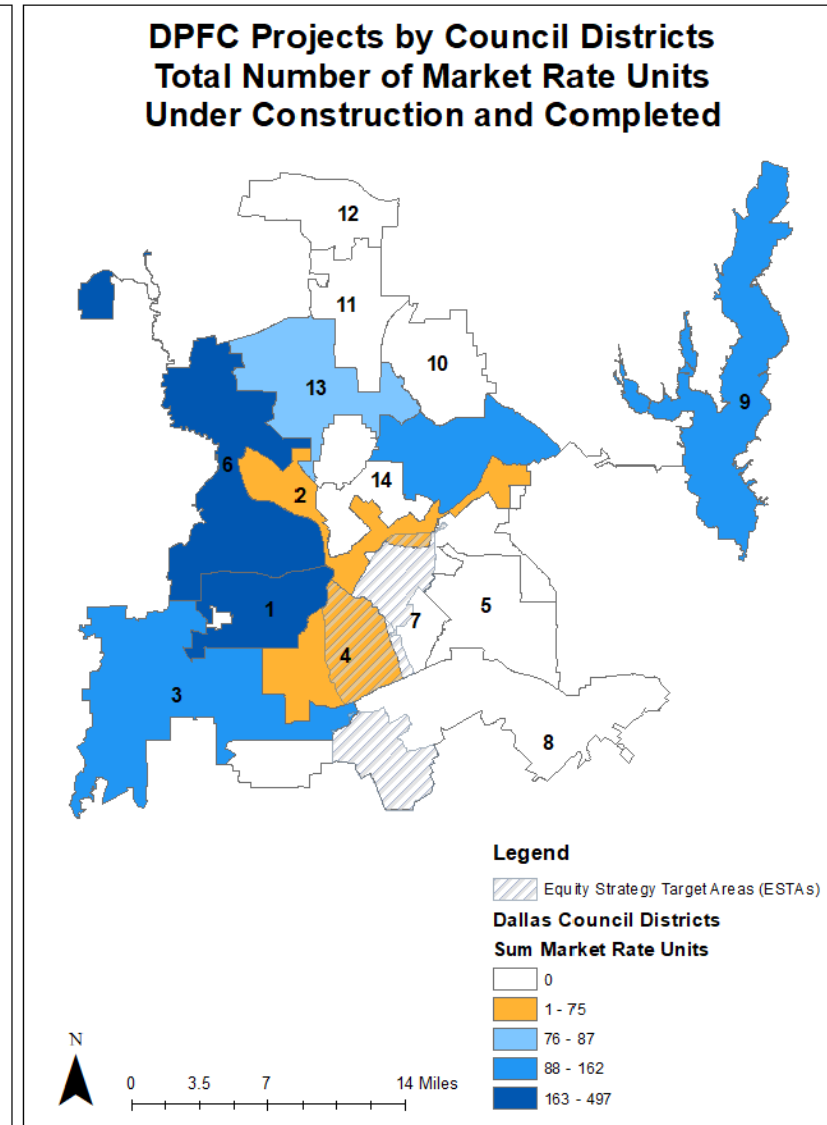
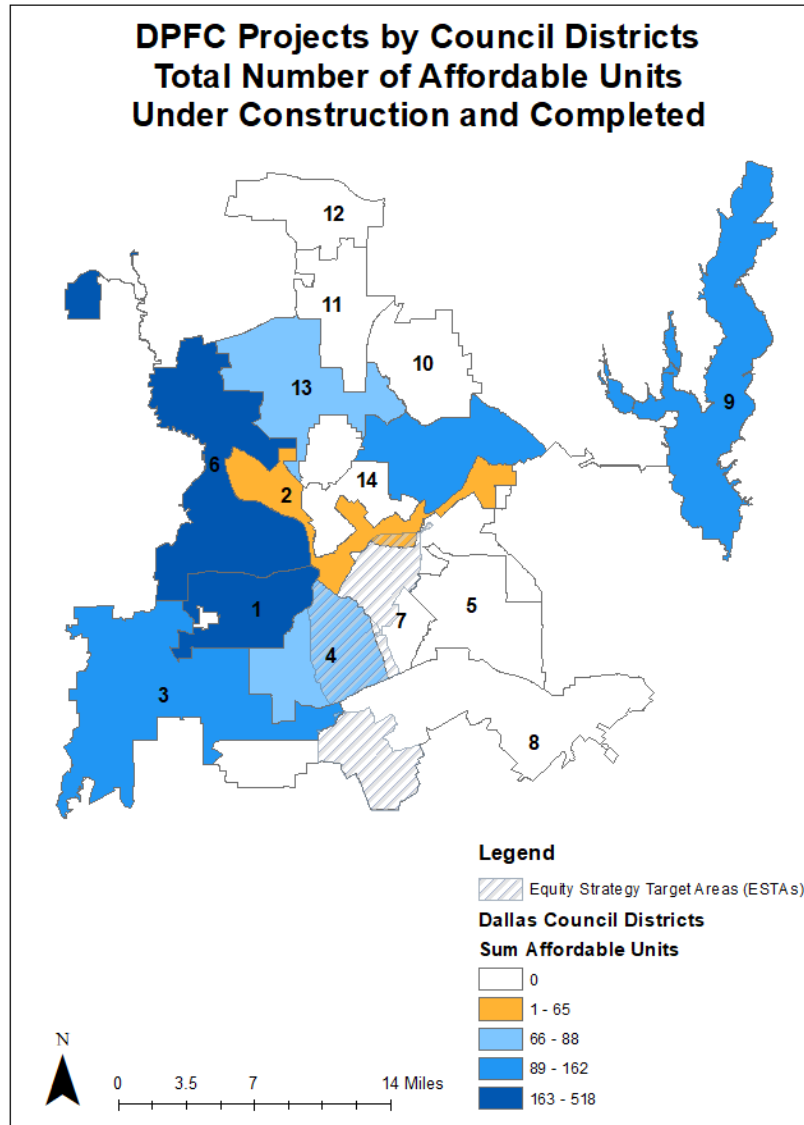


DPFC Portfolio



Map comparison of location of market rate and affordable units by council district

Council District	# Projects	Affordable Units	Market Rate
1	4	518	497
2	1	65	65
3	1	162	162
4	1	78	75
6	3	456	446
9	1	151	149
13	1	88	87



DPFC Revenue and Expenses



	<u>FY 2023</u>	<u>As of 05/31/24</u>
Revenue:		
Application Fees	\$ 55,050	\$ 5,000
Development/Structuring Fees	<u>\$ 1,840,749</u>	<u>\$ 173,342</u>
Total Revenue	\$ 1,895,799	\$ 178,342
Expenses:		
Salaries/Benefits	\$ 199,576	\$ -
Professional Services	\$ 33,575	\$ 600
Office Expense	\$ 948	\$ -
Property/Liability Insurance	\$ 11,898	\$ 1,190
Conference/Travel Expense	<u>\$ 5,272</u>	<u>\$ -</u>
Total Expenses	\$ 251,269	\$ 1,790
Change in Net Position:	<u>\$ 1,644,530</u>	<u>\$ 176,552</u>
Net Position:		
Beginning FY	\$ 1,105,775	\$ 2,750,305
Ending FY	<u>\$ 2,750,305</u>	<u>\$ 2,926,857</u>



Potential Revenue Usage



- Expenditures of revenue to-date have been for administration only.
- Types of Revenue to the DPFC
 - Application Fees
 - Development Fees
 - Lease Fees
- Potential Uses for revenue are all things housing that are being discussed and considered by the Board.



Property Tax, Rent Savings, and Revenue Analysis



				75-Year Projection			60-Year Projection		
Project	Historic Avg. Assessed Tax Value 10 Years Prior	City Tax Amount One Year Prior to PFC Purchase	IF TAXABLE, Improved Projected City Tax Year 1	75-Year Tax Exemption	75-Year Rental Savings	75-Year Revenue	60-Year Tax Exemption	60-Year Rental Savings	60-Year Revenue
Banyan Flats	\$ 1,736,907	\$ 124,493	\$ 379,854	\$ 97,088,550	\$112,306,919	\$ 87,764,864	\$ 57,854,484	\$ 66,739,904	\$ 52,569,892
Oakhouse at Colorado	\$ 284,212	\$ 3,184	\$ 283,834	\$ 72,415,456	\$105,971,264	\$ 46,344,552	\$ 43,099,029	\$ 63,059,140	\$ 27,876,341
Mountain Creek Apartments	\$ 5,519,586	\$ 10,864	\$ 376,857	\$ 96,137,366	\$ 65,860,013	\$ 77,924,753	\$ 57,212,852	\$ 39,205,892	\$ 46,704,991
Standard at Royal	\$ 488,510	\$ 7,919	\$ 430,650	\$109,897,267	\$160,826,698	\$102,707,554	\$ 65,416,623	\$ 95,738,732	\$ 61,392,663
Standard Shoreline	\$ 10,083,720	\$ 0	\$ 390,921	\$ 99,711,148	\$ 30,583,673	\$ 51,722,178	\$ 59,334,002	\$ 18,207,980	\$ 31,064,733
Coop at Singleton	\$ 875,558	\$ 16,188	\$ 230,226	\$ 58,842,913	\$ 31,272,406	\$ 41,290,932	\$ 35,063,508	\$ 18,616,191	\$ 24,764,975



Property Tax, Rent Savings, and Revenue Analysis



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Coop at Bluffview	\$ 3,595,447	\$ 25,381	\$ 203,335	\$ 51,977,666	\$ 56,466,944	\$ 38,755,739	\$ 30,975,758	\$ 33,614,280	\$ 23,262,655
The Park at Northpoint	\$ 5,647,063	\$ 99,679	\$ 719,716	\$178,149,839	\$147,011,186	\$102,907,468	\$105,977,538	\$ 87,497,487	\$ 61,530,269
The Elms	\$ 45,705	\$ 3,469	\$ 144,336	\$ 36,888,278	\$ 74,544,654	\$ 64,238,633	\$ 21,980,123	\$ 44,375,783	\$ 38,416,826
Cambridge at Bishop Ridge	\$ 2,151,566	\$ 17,325	\$ 393,025	\$100,444,854	\$168,337,699	\$ 56,376,737	\$ 59,850,391	\$ 100,209,966	\$ 34,095,089
Bishop 8 th	\$ 566,520	\$ 3,683	\$ 342,211	\$ 87,458,381	\$211,421,001	\$ 57,974,020	\$ 52,112,356	\$125,857,080	\$ 34,768,582
Maple Highline	\$ 1,296,255	\$ 856	\$ 165,138	\$ 42,205,030	\$ 47,176,489	\$ 31,151,207	\$ 25,148,384	\$ 28,083,753	\$ 18,756,740
Totals	\$32,291,039	\$ 313,041	\$ 4,060,013	\$1,031,216,748	\$1,211,781,946	\$759,159,637	\$614,025,138	\$721,206,187	\$455,203,755



Housing Programs Comparison-New Development



Target Household By Area median Income (AMI)	Dallas Public Facility Corporation (*Average per unit)	Notice of Funding Available (NOFA) / Mixed Income Housing Development Bonus Program (MIHDB) Funds (*Average per unit)
0-30%	\$ 0	\$ 50,089
31-50%	\$ 70,309	\$ 47,726
51-60%	\$ 56,795	\$ 44,567
61-80%	\$ 56,795	\$ 58,794
81-120%	\$ 56,795	\$ 61,392
Market Rate	\$ 56,795	\$ 61,392



Housing Programs Comparison-Home Repair



Target Household by Area median Income (AMI)	Dallas Public Facility Corporation (*Avg per unit)	Home Improvement & Preservation Program – Reconstruction (*Avg per unit)	American Rescue Plan Act – Neighborhood Revitalization Program (*Avg per unit)	Dallas Tomorrow Fund (*Avg per unit)	Home Improvement & Preservation Program – Rehabilitation (*Avg per unit)	West Dallas Targeted Rehab Program (*Avg per unit)
0-30%	\$ 0	\$ 172,166	\$ 0	\$ 16,529	\$ 52,489	\$ 12,340
31-50%	\$ 70,309	\$ 164,766	\$ 0	\$ 18,515	\$ 49,147	\$ 11,832
51-60%	\$ 56,795	\$ 173,175	\$ 0	\$ 19,683	\$ 52,694	\$ 10,876
61-80%	\$ 56,795	\$ 160,000	\$ 95,275	\$ 16,580	\$ 45,778	\$ 10,455
81 – 120%	\$ 56,795	N/A	N/A	N/A	N/A	N/A
Market Rate	\$ 56,795	N/A	N/A	N/A	N/A	N/A



*Program data is average between January 1, 2022 to March 31, 2024

Cost Benefit



- Benefits for use DPFC
 - Tax exemption is larger for households at 31-60% AMI than offered in the NOFA and MIHDB subsidy
 - Affordability for exemption is guaranteed for 40 years and up to 75 years while NOFA is 20-30 years
 - No cash out of City budgets, federal or general fund
 - Exemption to working class family units (81-120% AMI)
 - DPFC maintains ownership and results in assets
 - Tax exemption in lieu of a cash subsidy needed to make the project financially feasible, average of \$24,000,000 per project
- Cons for the use of DPFC
 - No deep affordability below 50% AMI
 - Exemption to entire property including market rate units up to 75 years



Next Steps for DPFC Process Improvement



- Elevate Transparency
 - Document the underwriting in a manner that illustrates public subsidies with tax exemptions to demonstrate responsible subsidy layering
 - Solution: Scrutinize fees to occupants by developers/property managers to prevent "junk fee" charges, including amending statute
 - Solution: Immediately change the underwriting format
- Strengthen Monitoring
 - Solution: Dedicated Housing compliance staff to monitor occupancy, rents, fees, equity and property
- Enhance Properties Management
 - Expedite demolition and securing development sites.
 - Solution: Amend application to require short timeline for developer to secure the property
- Expand Marketing
 - Formulate a marketing plan to create a steady pipeline of projects
 - Solution: 1. Web service provider will have webpage completed in 60 days
 - 2. Board to consider funding marketing plan in current budget
- Plan and Use of DPFC Funds
 - Explore utilizing cash available to create and/or preserve affordable housing
 - Solution: Board considering future uses of cash available for affordable projects





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Appendix



Dallas Public Facility Corporation Board Members



CD1 Scott Hounsel

CD2 Vacant

CD3 Stacey Marshall

CD4 Ronald Stinson

CD5 Vacant

CD6 Vacant

CD7 Victor Toledo

CD8 Vacant

CD9 Ken Montgomery

CD10 Mark Holmes

CD11 Alan Tallis

CD12 Kevin Winters

CD13 Laurel Stone

CD14 Keith Pomykal

Mayor's Appointee Vacant



Property Management Calls since PFC Ownership



Project	Current Status	DPFC Acquisition Date	Total 311 & 911 Calls on property – 1 yr prior to ownership	Total 311 & 911 Calls on property since owned	311 Calls for surrounding property	911 Calls for surrounding property	Complaints
Banyan Flats	Leasing	11/20/2023	12	20	2	4	Potholes in streets, animals on site, high grass, graffiti, fire alarms, minor and major disturbances, loud music, elevator emergency, suspicious person
Oakhouse at Colorado	Leasing	04/01/2022	9	16	10	14	Graffiti, trash, encampments, theft, fall victim, armed encounter, vehicle accidents, burglary alarms
Maple Highline	Leasing	12/19/2023	28	23	3	12	Construction outside normal hours, theft, suspicious person, burglary alarms, prowlers, minor and major disturbances, loud music
Mountain Creek Apartments	Under Construction	10/04/2022	0	10	3	0	Parking violations, abandoned property, suspicious persons, burglary alarms, major disturbance
Standard at Royal	Under Construction	06/29/2022	6	2	2	1	Encampments, burglary alarms, prisoner, maintenance
Standard Shoreline	Pending Permits	10/27/2023	56	3	2	3	Construction outside normal hours, building permit violation
Coop at Singleton	Under Construction	10/23/2023	6	5	2	2	Parking violation, construction complaints, fireworks, building permit violation, construction outside normal business hours
Coop at Bluffview	Under Construction	07/13/2023	6	1	1	0	Construction site debris
The Park at Northpoint	Demolition	07/24/2023	5	18	1	12	Vandalism, abandoned building, damage, high weeds, litter, people living in the open building
The Elms	Under Construction	10/17/2023	0	15	0	2	Burglary alarms, suspicious person
Cambridge at Bishop	Under Construction	12/04/2023	13	6	3	0	Construction outside normal hours, alley issue, loud construction, suspicious person
Bishop 8th	Under Construction	12/29/2023	24	0	3	1	Parking violations, construction complaints



Banyan Flats

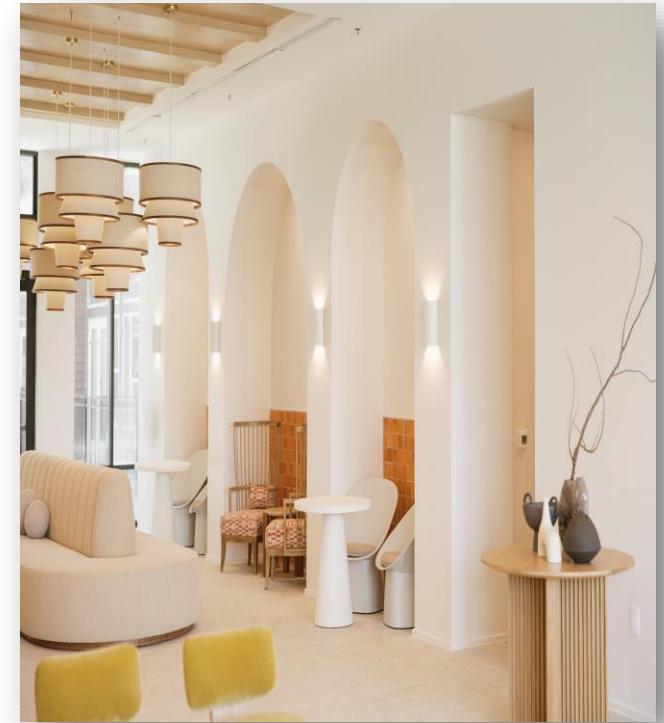
- 2022 N. Beckley
- Project Cost = \$64,539,584
- Completed: 2024
- Lease Rates = \$1045 - \$2650
- 289 Units
 - 144 Market Rate Units
 - 115 Units at 80% AMI and below
 - 30 Units at 60% AMI and below





Oakhouse at Colorado

- 900 E. Colorado
- Project Cost: \$48,225,236
- Completed: 2024
- Lease Rates = \$1113 - \$2492
- 215 Units
 - 102 Market Rate Units
 - 113 Units at 80% AMI and below





Maple Highline

- 5908 Maple
- Project Cost: \$28,058,089
- Completed: 2024
- Lease Rates = \$1188 - \$1750
- 130 Units
 - 65 Market Rate Units
 - 52 Units at 80% AMI and below
 - 13 Units at 60% AMI and below



Photo courtesy of: Urban Genesis. [Urban Genesis](#)





Mountain Creek Apartments

- 4800 S. Merrifield
- Project Cost: \$64,030,497
- Completed: Projected 2025
- Estimated Lease Rates: \$1175 - \$1925
- 324 Units
 - 162 Market Rate Units
 - 162 Units at 80% AMI and below



Photo courtesy of: [NRP Group](#). [NRP Group](#)



Current Portfolio - Demolition



The Park at Northpoint

- 9999 Technology
- Project Cost: \$121,907,308
- Completed: Projected 2026
- Estimated Lease Rates: \$1096 - \$2500
- 426 Units
 - 208 Market Rate Units
 - 174 Units at 80% AMI and below
 - 22 Units at 60% AMI and below
 - 22 Units at 50% AMI and below



FRONT ELEVATION SCALE: 1/8" = 1'-0"



REAR ELEVATION SCALE: 1/8" = 1'-0"

Photo courtesy of: LDG Development. [LDG Development](#)





Standard at Shoreline

- 10715 Garland
- Project Cost: \$66,419,868
- Completed: Projected 2026
- Estimated Lease Rates: \$1246 - \$2240
- 300 Units
 - 149 Market Rate Units
 - 151 Units at 80% AMI and below



Photo courtesy of: Ojala Partners





Coop at Singleton

- 2901 Borger
- Project Cost: \$39,116,856
- Completed: Projected 2026
- Estimated Lease Rates: \$1095 - \$2000
- 176 Units
 - 88 Market Rate Units
 - 70 Units at 80% AMI and below
 - 18 Units at 60% AMI and below





Coop at Bluffview

- 3802 W. Northwest
- Project Cost: \$34,548,047
- Completed: Projected 2026
- Estimated Lease Rates: \$1095 - \$2150
- 175 Units
 - 87 Market Rate Units
 - 70 Units at 80% AMI and below
 - 18 Units at 60% AMI and below



Photo courtesy of: Urban Genesis. [Urban Genesis](#)





Standard at Royal

- 2737 Royal
- Project Cost: \$ 73,170,191
- Completed: Projected 2025
- Estimated Lease Rates: \$1096 - \$3100
- 300 Units
 - 150 Market Rate Units
 - 120 Units at 80% AMI and below
 - 30 Units at 60% AMI and below





The Elms

- 1802 Morrell
- Project Cost: \$24,523,617
- Completed: Projected 2025
- Estimated Lease Rates: \$1023 - \$2400
- 153 Units
 - 75 Market Rate Units
 - 63 Units at 80% AMI and below
 - 15 Units at 60% AMI and below





Cambridge at Bishop Ridge

- 624,627 N. Lancaster
- Project Cost: \$66,777,514
- Completed: Projected 2025
- Estimated Lease Rates: \$1022 - \$2460
- 279 Units
 - 137 Market Rate Units
 - 112 Units at 80% AMI and below
 - 30 Units at 60% AMI and below



Photo courtesy of: Savoy Equity. [Savoy Equity](#)





Bishop 8th

- 505 and 510 W. 8th
- Project Cost: \$ 64,539,584
- Completed: Projected 2025
- Estimated Lease Rates: \$1108 - \$2134
- 232 Units
 - 114 Market Rate Units
 - 94 Units at 80% AMI and below
 - 24 Units at 60% AMI and below



Photo courtesy of: BV Acquisitions

