

Memorandum



DATE November 4, 2022

CITY OF DALLAS

Honorable Members of the City Council Economic Development Committee: Tennell
TO Atkins (Chair), Carolyn King Arnold (Vice Chair), Adam McGough, Omar Narvaez, Jaime Resendez, Chad West, Gay Donnell Willis

SUBJECT **Dallas Development Fund Updates**

We are pleased to share that on Friday, October 28, 2022 the Community Development Financial Institutions (CDFI) Fund notified the Dallas Development Fund (DDF) that it received a \$55 million allocation in New Markets Tax Credits (NMTC). DDF was the only Texas-based municipal Community Development Entity (CDE) to receive allocation and \$55 million is the largest award received for local-serving CDEs nationwide.

The DDF is a non-profit subsidiary, created (and controlled) by the City of Dallas in 2009 to operate the City's NMTC program. DDF's purpose is to advance the economic development objectives of the City and to promote private investment in Dallas' Low-income Communities using the NMTC program.

Congress created the NMTC program in 2000 to incentivize investments that create jobs and provide services in economically disadvantaged areas. The NMTC program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated CDEs. DDF is a designated CDE. These investments must be used by the CDE for projects and investments in low-income communities and provide additional opportunities for development in low-income areas. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year credit allowance period.

This is DDF's fifth allocation. Previous awards in 2009, 2012, 2014, and 2017 totaled \$185 million in NMTC allocation. Projects supported by the previous allocations include the Lancaster Urban Village, the Hatcher Station Parkland Medical Clinic, the Family Place, Pioneer Foods, and Cristo Rey School, among others. DDF supports transit-oriented development, projects located in Southern Dallas, and job-creating projects. A dashboard highlighting previous projects can be found [here](#).

DDF was one of 107 organizations receiving an award and was selected from a pool of 199 applicants. These applicants requested approximately \$14.7 billion in allocation authority, while a total of \$5 billion was awarded.

More information about the Dallas Development Fund and the City's NMTC program can be found [here](#).

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Staff will be issuing a press release about the NMTC award in late November/early December 2022 when DDF is ready to issue a call for projects to be considered for this NMTC funding.

Additionally, DDF will soon issue its third call for projects under its Healthy Food Dallas Initiative. This funding provides up to \$70,000.00 as a forgivable loan to qualified non-profits that provide free or low-cost food in food desert areas of Dallas. In the first two rounds of funding, DDF has awarded 11 projects just over \$600,000.00. We will issue a press advisory and a City Council memo when the funding round opens.

Finally, DDF is always seeking recommendations for board members to serve on its seven-person advisory board. Board members must be Dallas residents and should be accountable to low-income communities (LIC), either through their place of residence (as defined by NMTC [eligible areas](#)), their employment (with a primary service to LIC), or board service (again with a primary service to LIC). Bank officers with CRA lending portfolios do not qualify to meet the LIC test. Please send any qualified individuals to ecodevinfo@dallas.gov.

Should you have any questions, please contact Robin Bentley, Director, Office of Economic Development, at (214) 671-9942 or Robin.Bentley@dallas.gov.



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Assistant City Manager

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Preston Robinson, Administrative Judge
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M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
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Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors