



City of Dallas

Development – Notice of Funding Availability (NOFA)- Assisted Projects

**Housing and
Homelessness Solutions
November 10, 2020**

David Noguera, Director
T. Daniel Kalubi, Area
Redevelopment Manager
Department of Housing &
Neighborhood Revitalization
City of Dallas

Presentation Overview



- Purpose
- Background/History
- Staff Activity Snapshot
- Process Overview
- Efficiency Enhancements
- Cost Analysis
- Program Value
- Staff Recommendations
- Next Steps



Purpose



- The purpose of the NOFA is to serve as an evaluation tool for all residential development projects seeking city subsidy
- NOFA evaluates eligibility of affordable housing proposals
- Standing NOFA allows applicants to submit shovel-ready projects for evaluation at any point during the year



Background/History



- Since 2018, the Department of Housing and Neighborhood Revitalization has issued 3 NOFA solicitations:
 - 2018 Multi & Single-Family NOFA
 - 2019 Single-Family NOFA
 - 2020 Standing NOFA Solicitation for Multi & Single-Family Development



Background/History



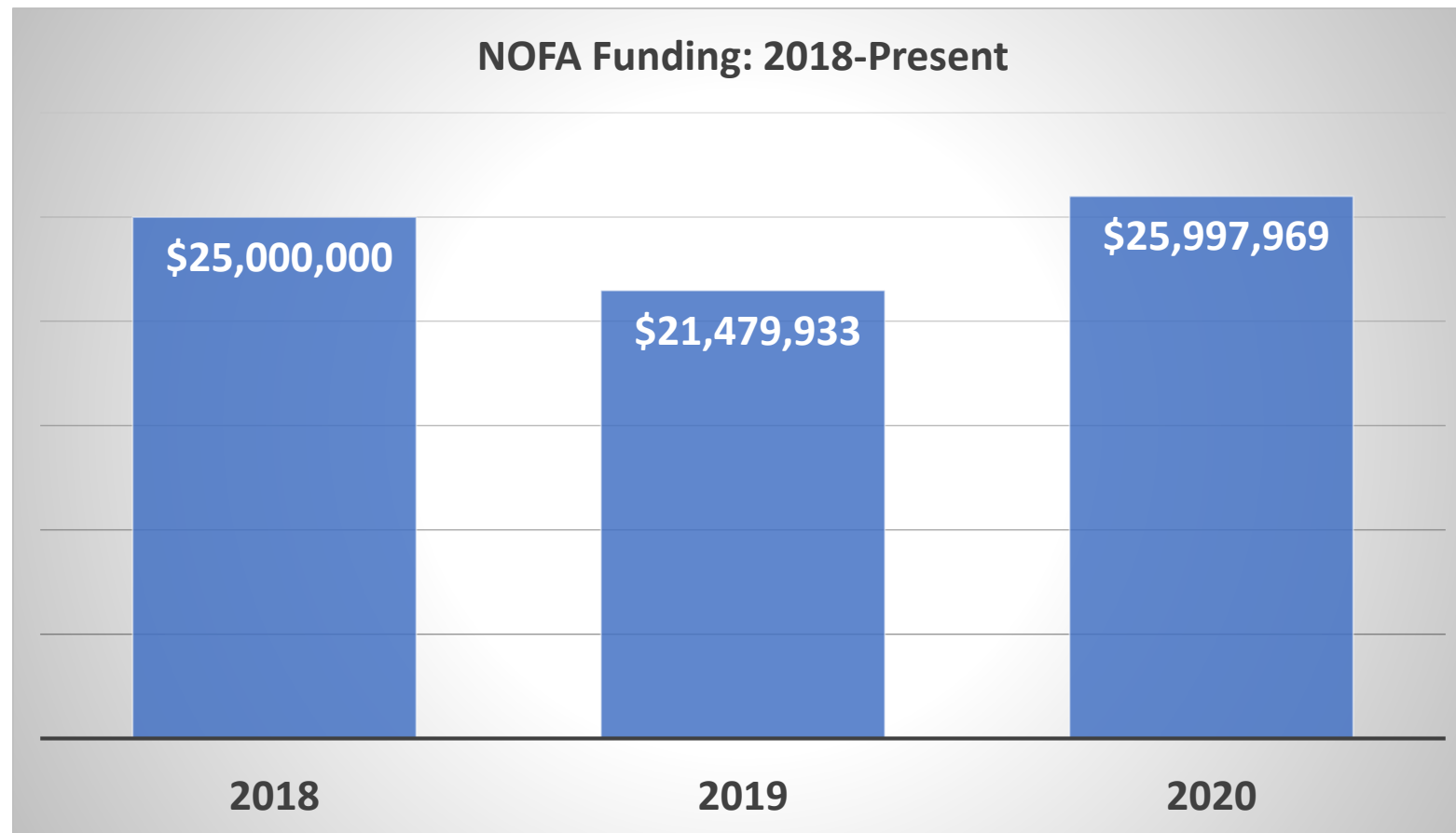
- NOFA Funding sources vary, but since 2018 have included the following:
 - HOME
 - CDBG
 - Neighborhood Stabilization Program (NSP)
 - Bond Funding (Citywide and Council District-specific)
 - Miscellaneous Funds from Proceeds of Sales of City-Owned Assets
 - Land*



Background/History (cont'd)



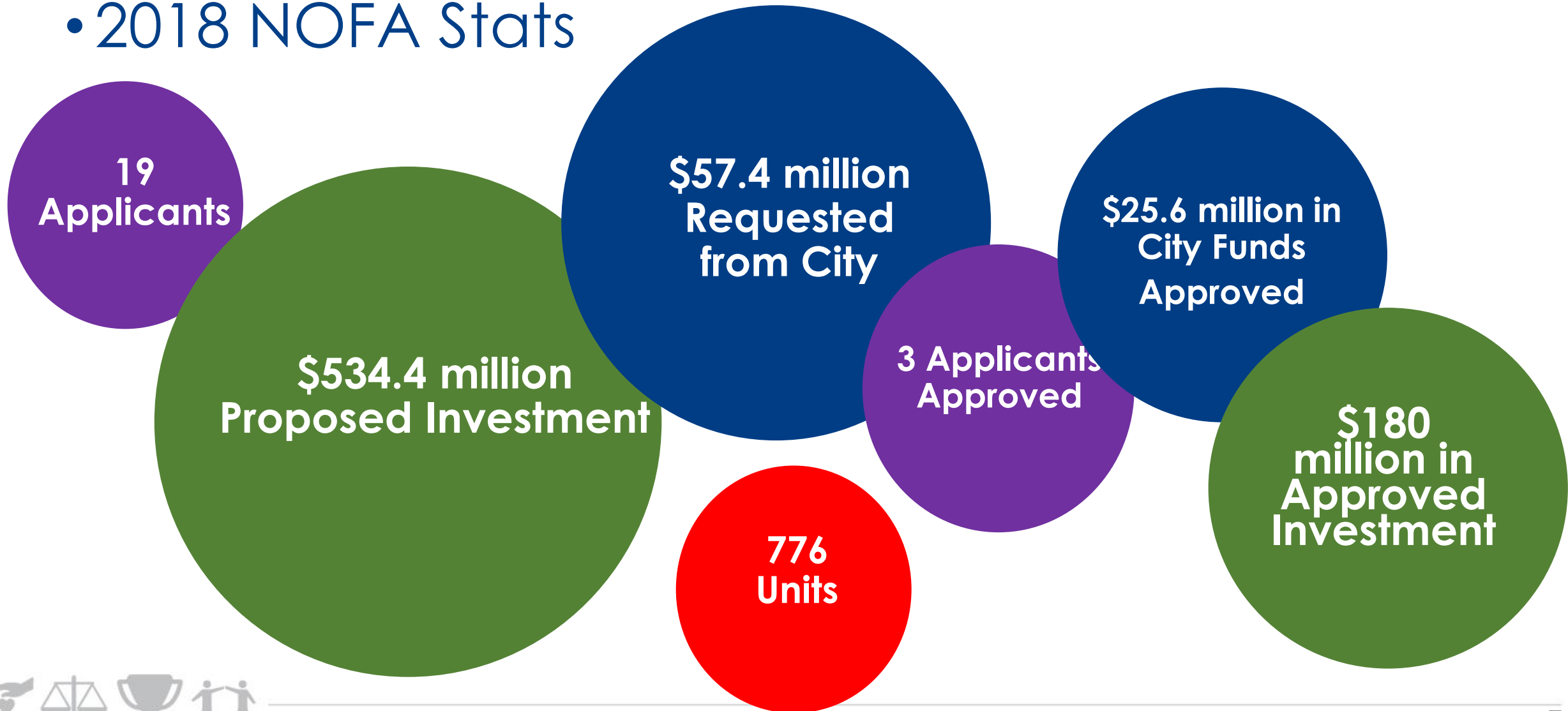
- From 2018 – Present, Housing has issued 3 unique solicitations offering over \$72.4 million in available funds.



Background/History (Cont'd)



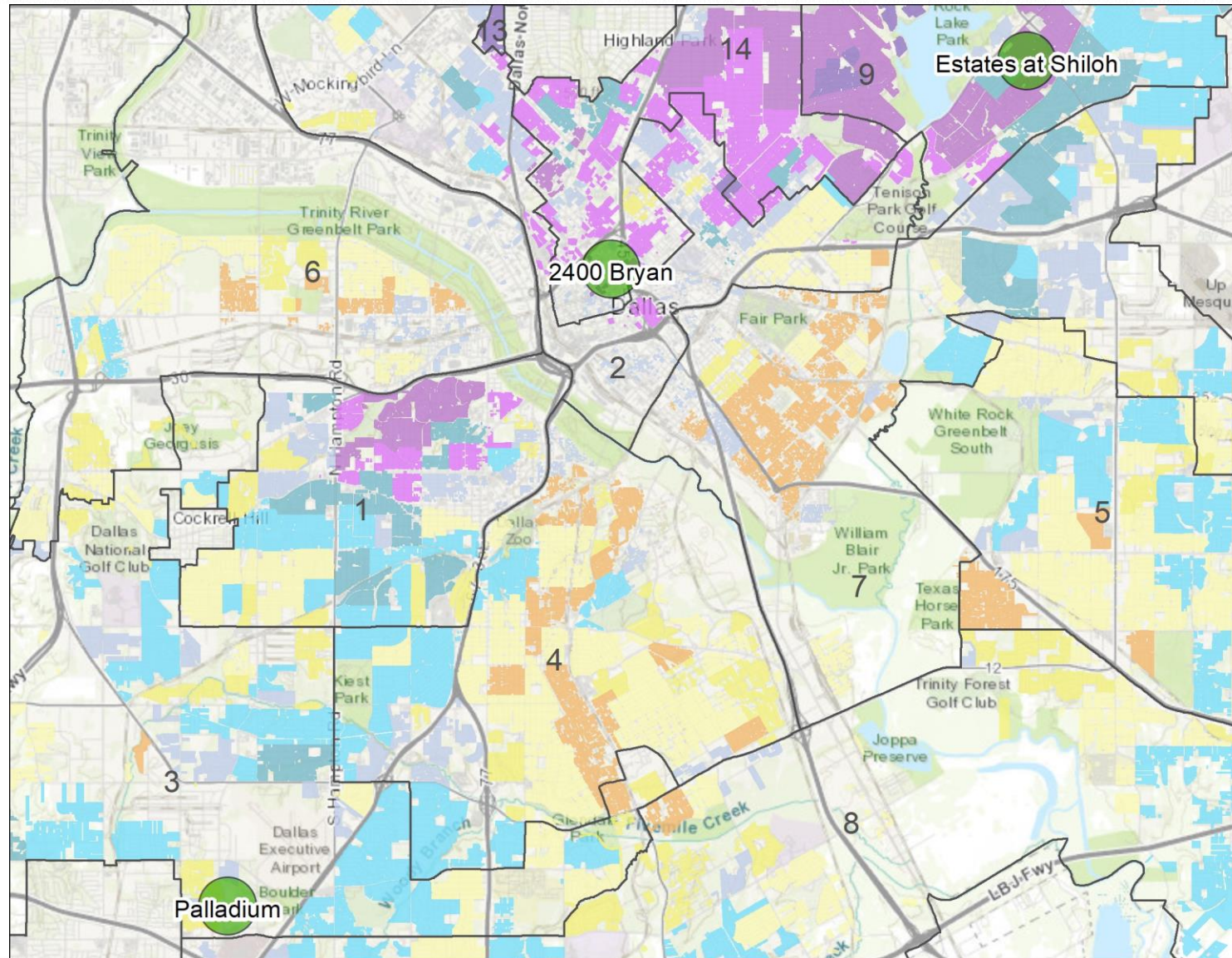
- 2018 NOFA Stats



Background/History (Cont'd)



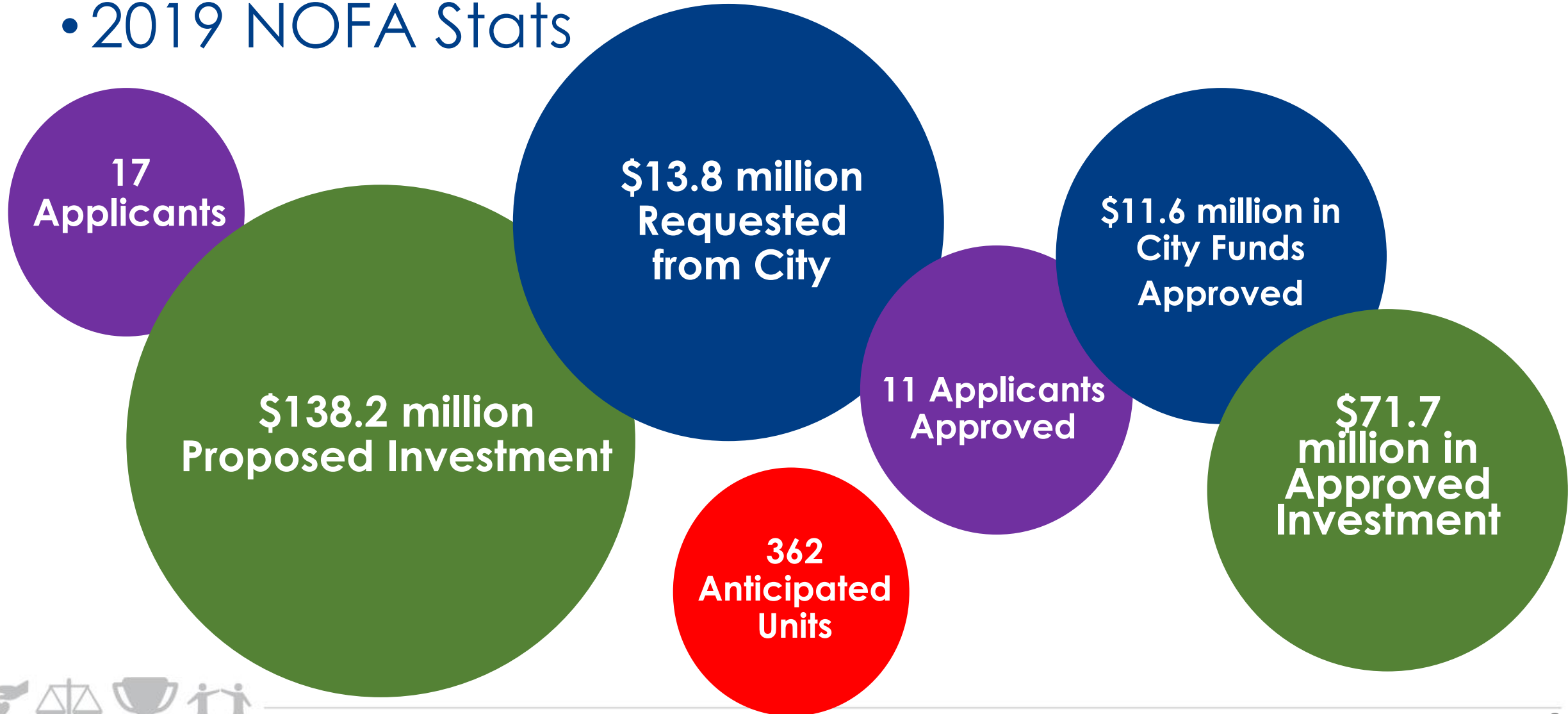
2018
NOFA



Background/History (Cont'd)



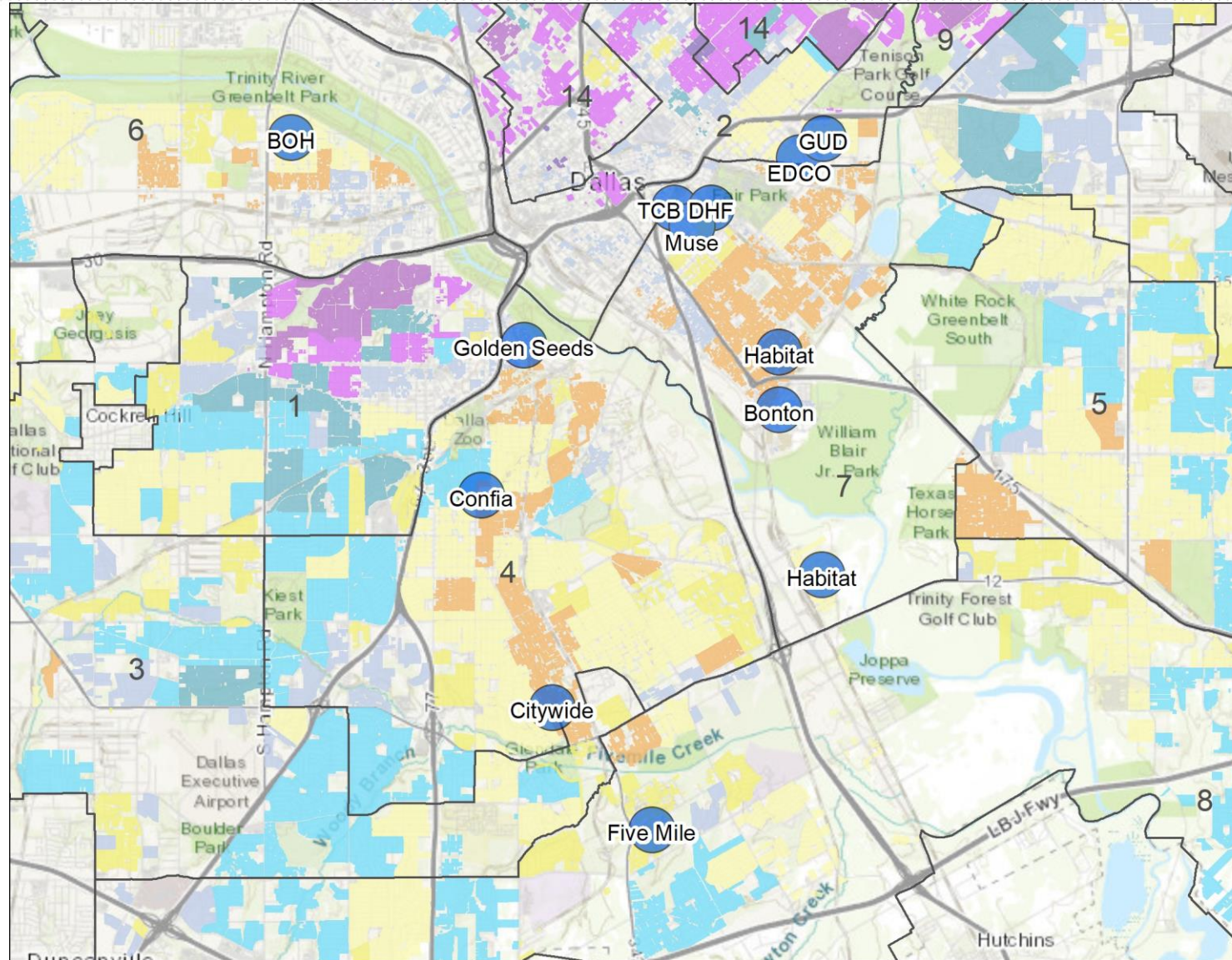
- 2019 NOFA Stats



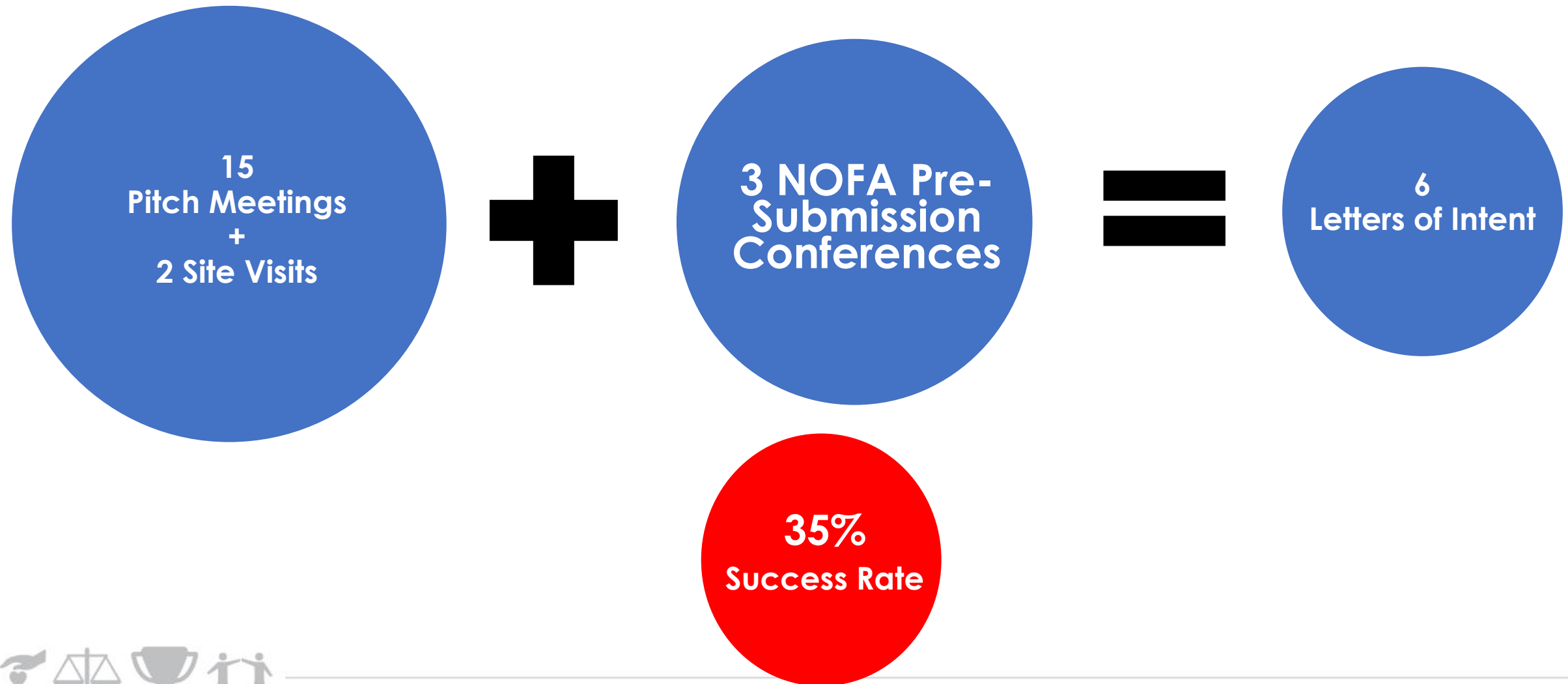
Background/History (Cont'd)



2019
NOFA



Staff Activity Snapshot: August 1st – November 2nd



NOFA Process



Efficiency Enhancements



	<u>2018 & 2019 NOFA</u>	<u>Standing NOFA</u>
Funding	\$23.2 Million (avg)	\$31.9 Million
Solicitation Length	45-60 Days	Rolling/Continuous
Scoring	By Committee	Self-Scoring Mechanism
Evaluation Period	2-3 months	1 month
Application Submission to Council Committee	6-8 months	3 months



Efficiency Enhancements (cont'd)



- Staff is committed to constant improvement of the NOFA process and has taken the following steps to build upon previous experiences:
 - Monthly pre-submission meetings
 - Dedicated NOFA “FAQ” email address
 - Enhanced NOFA webpage on Housing website that is updated weekly
 - Self-scoring mechanism to help developers



Cost Analysis



- Benefits of affordable housing extend beyond just physical units
- 2018 & 2019 NOFA projects create nearly **3100** jobs during construction and support over **230** long-term positions in the workforce
- Each time the City invests **\$12,000** in an affordable housing project, **1** construction job is created

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Estimated* Job Creation	2010	1086	TBD
Estimated* Jobs Supported	159	75	TBD

**Note: Estimates based on information gathered from other municipalities. Inputs include (1) building-type, (2) number of stories, & (3) hard construction costs*



Program Value



- Higher quality housing improves health outcomes for residents
- Increase in disposable income/savings for households
- Increase in job creation (construction, building management)
- Increase in tax revenue for the City
- Decrease in vacant land in urban infill areas
- Decrease in land holding/maintenance costs for City



Program Value: Anticipated Tax Revenue from 2019 NOFA



Developer	Total Project Cost	Funding Recommended	No. of Lots	Units	Leverage	Subsidy/Unit	Up to 80%	Up to 120%	Tax Revenue to City of Dallas
Confia Homes, LLC	\$ 3,600,000.00	\$ -	19	19			9	10	\$ 24,039.96
Texas Community Builders	\$ 2,545,590.00	\$ 741,730.00	11	12	\$ 2.43	\$ 61,810.83	12	0	\$ 15,212.24
Dallas Area Habitat for Humanity	\$ 3,200,000.00	\$ -	33	33		\$ -	33	0	\$ 41,005.01
Dallas Housing Foundation	\$ 6,367,368.00	\$ 1,427,000.00	17	34	\$ 3.46	\$ 41,970.59	8	26	\$ 59,418.44
EDCO	\$ 1,039,432.00	\$ 502,200.00	0	5	\$ 1.07	\$ 54,000.00	5	0	\$ 6,209.53
Builders of Hope	\$ 3,636,872.00	\$ 1,141,922.00	20	20	\$ 2.18	\$ 57,096.10	20	0	\$ 28,035.62
Muse Family Foundation	\$ 4,120,100.00	\$ 1,172,000.00	11	13	\$ 2.52	\$ 90,153.85	5	8	\$ 21,017.40
The Golden S.E.E.D.S Foundation	\$ 5,187,672.00	\$ 1,400,000.00	24	22	\$ 2.71	\$ 63,636.36	22	0	\$ 30,870.25
City Wide CDC	\$ 3,667,500.00	\$ 1,150,000.00	0	20	\$ 2.19	\$ 57,500.00	5	15	\$ 31,232.71
Notre Dame Place (Bonton)	\$ 3,406,000.00	\$ 730,000.00	17	35	\$ 3.67	\$ 20,857.14	21	14	\$ 26,451.34
Good Urban Development	\$ 9,327,651.00	\$ 2,000,000.00	25	50	\$ 3.66	\$ 40,000.00	15	35	\$ 75,175.86
Notre Dame Place (Five Mile)	\$ 20,965,000.00	\$ 1,600,000.00	99	99	\$ 12.10	\$ 16,161.62	40	59	\$ 149,924.58
Total	\$ 67,063,185.00	\$ 11,864,852.00	276	362	\$ 4.65	\$ 45,744.23	195	167	\$ 508,592.94



Staff Recommendations



- Process recommendations:
 - Find efficiencies in the Council approval process to streamline development timelines
- Technical recommendations:
 - Adoption of recommended adjustments to debt structuring in the Comprehensive Housing Policy to allow for a wider range of City investment in projects



Next Steps



- Nexus Study
- Enhance Housing Policy to keep it relevant to today's market
- Housing staff anticipates recommending 4 projects from 2020 NOFA in January/February of 2021





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