

Memorandum



CITY OF DALLAS

DATE November 9, 2021

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 **Department of Housing Performance Measure Update**

The Department of Housing and Neighborhood Revitalization (Housing) reports project pipelines and accomplishments to the Housing & Homelessness Solutions Committee on a monthly basis. This memo will summarize accomplishments occurring in October and present projections for the current FY21-22 fiscal year. The updated presentation is attached, and details are included below:

Development

Methodology

The monthly measures for the upcoming fiscal year will remain the same. *Units Approved* represents the work staff will perform this fiscal year in reviewing applications and taking them to council or the associated committees. *Units Started* represents the 'start of construction' and includes work staff has done to bring approved projects to close and the work developers have done to apply for and receive the required building permits. *Units Complete* is taken either at Final Certificate of Occupancy, Green Tag, or final payment disbursement, depending on the program, and it represents a new or fully rehabilitated unit on the ground. Typically, completions represent staff work completed two or more years in the past.

The way the numbers are reported *by program* will change this fiscal year. As Housing has added more programs to encourage mixed income housing, more developments are taking advantage of multiple programs. Previously all these projects were summarized in a column called 'Multiple' to avoid duplication. Moving forward, these projects will be reported under all applicant programs, but a separate *Total Pipeline* column will be added to provide a non-duplicative count of all units that reached the five milestones.

October Performance and FY21-22 Projections

Housing staff project that 2,412 units will be approved by Council or the associated boards, 2,474 units will start construction and 1,983 will complete construction this fiscal year, to be broken down in the following paragraphs.

NOFA

The Notice of Funding Availability saw the following progress in October:

- One new application was received for 36 housing units.
- Council approved the Armonia Apartments, adding 15 units to the pipeline.

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- Eight homes were completed as part of the FY18-19 single-family NOFA including four by Habitat for Humanity and four in the Five Mile project.
- One home was completed in the Prairie Creek development.

Including the October measures above, staff has made the following projections for FY21-22:

- 450 units will be approved by council this year, in line with the final numbers of FY20-21. This number is entirely dependent upon the number and types of applications received from developers.
- 70 single-family units are expected to receive a building permit and complete construction.
- All three major multifamily apartment developments from the FY18-19 NOFA, Palladium Red Bird, Estates at Shiloh, and The Galbraith (formerly 2400 Bryan), are expected to complete construction for an additional 779 completed units.

Land Programs

The Land Bank and Land Transfer programs have made the following accomplishments in October in addition to the single-family NOFA homes listed above:

- Council approved the sale of 11 Land Transfer lots to Titan and Associates.
- Two permits for Land Bank homes were issued and three homes were completed.

Including the accomplishments above, staff estimate the following projections in the coming fiscal year:

- 25 new land bank lots will be approved for sale by the end of the fiscal year, 19 land bank homes should receive a permit, and 22 land bank homes should be completed.
- A total of 37 land transfer lots are projected to be approved for sale, 124 homes should receive a permit, and 48 homes should be completed.

LIHTC/DHFC

In October, the Dallas Housing Finance Corporation (DHFC) approved Terrace at Southern Oaks, a 300-unit Low-Income Housing Tax Credit (LIHTC) development that council approved in September. This program counts measures at DHFC approval for consistency.

These programs received significantly more interest than expected last year. Due to the oversubscription of private activity bonds and a lack of high opportunity sites that will score well with TDHCA, Housing anticipates lower numbers this year, including the following:

- Around 1,200 units will be approved by the board (including Terrace at Southern Oaks).
- Approximately 600 units approved last fiscal year will receive a permit.
- All LIHTC units that will complete construction this fiscal year are also using NOFA funding and are accounted for above.

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MIHDB

There was no reported movement in the Mixed Income Housing Development program (MIHDB) in October. However, there is so much moving in the pipeline that projections are high.

- Staff estimates 980 units will receive a permit. This is a round number that represents a portion of the units that may apply for permits next year that are not accounted for in other programs.
- 1,086 units are expected to complete construction. On average, 6% of units built in this program are reserved dwelling units offered at a rent rate affordable to the eligible household.

1,000 Unit Affordable Housing Challenge

The 1,000 Unit Affordable Housing Challenge is the final program reported in the Development measures. Council approved partnerships with three developers on city lots, and Housing is supporting these developments. These units were not counted for any measures last year because design and final unit counts have yet to be finalized. Housing estimates at least 700 units will be considered Approved once the designs are finalized and all 700 will start construction this fiscal year.

Repair

Methodology

The measures for the repair program have changed only slightly for the coming fiscal year. Staff previously measured *Households Approved* and *Units Repaired*, which offered a measure of staff's accomplishments working through applications and gave a count of final units that were impacted. This year, in addition to those measures, staff will include *Agreements Signed* which will offer a measure of units that have made their way entirely through the department and have moved on to the Construction stage.

Last fiscal year, Housing was overly optimistic about the ability to begin implementation and to complete new programs. Staff have acknowledged the barriers encountered in the last fiscal year and provided more cautious projections moving forward.

October Performance and FY21-22 Projections

The cycle for this year's Home Improvement and Preservation Program (HIPP) funding began in August when the application was launched in preparation for this fiscal year. In one day, 466 applications were collected from residents throughout Dallas. Staff have been reviewing the applications and supporting documentation. The first 15 homes have been referred for an initial inspection in November. All of this will be in addition to the 51 homes currently under construction from previous years' application cycles.

There is less to update regarding the other programs due to the short time between this and the previous memo. Updates include the following:

- Housing has received 17 new applications for DTF and three for the HHLR program

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- Staff have completed the qualification process on one additional application in West Dallas and signed agreements with nine households.
- Outside of HIPP, there are 10 homes under construction, six in West Dallas and four using Dallas Tomorrow Fund.
- Engineers completed foundation inspections on six homes in Historic Tenth Street, and Housing is working with the Office of Historic Preservation to secure Certificates of Appropriateness on qualified houses.

This coming year, staff project 166 households will be approved, and 183 agreements will be signed, and 255 homes will be repaired through its existing programs. More repairs are estimated due to those applications already in the cycle that have already met the first and/or second milestones. Estimates of completed homes breakdown in the following way:

- 30 through DTF
- 30 through the Healthy Homes Lead Reduction (HHLR) program
- 100 through the West Dallas Targeted Repair Program (TRP)
- 14 through the Tenth Street TRP
- 81 through the HIPP including the repairs already in process and those projected for this fiscal year's cycle.

These projections do not include the ARPA Neighborhood Revitalization Program or the council-approved Minor Home Repair program, which are expected to begin implementation this fiscal year but are still undergoing program design.

DHAP

Methodology

The Dallas Homebuyer Assistance Program (DHAP) reports two key measures. *Homebuyers Prequalified* and *Loans Closed*. Both measures are important, as the current housing market means that staff will prequalify many more applicants than will be able to find and close on homes. Additionally, it is particularly important to note the number of applications received and cancelled for this program, because many applications will be denied, and many applicants will drop out due to loan terms, procedures, or market conditions.

October Performance and FY21-22 Projections

October saw noticeable movement in this program. Staff received 10 new applications, denied five, and prequalified two. Three loans were closed in October, all of which resulted from Housing's partnership with single-family NOFA developers.

The program received significant interest last fiscal year thanks to partnerships with developers from the single-family NOFA. Many of those applicants are expected to purchase their homes this fiscal year. However, due to the current market continuing to make homeownership difficult for qualified residents, and due to the temporary nature of the partnerships, Housing projects that 25 applicants will be prequalified for down

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payment assistance this fiscal year and that 10 will purchase a home and close on their loans.

Other

Housing reports contributions to mixed income housing from other departments at the City as well as all units that have received building permits every month. These measures serve to provide context regarding the market to which Housing contributes.

In October, the Office of Economic Development brought an a mixed income housing development with Kroger and a development company called Southeastern through council, adding 375 new units to the pipeline just northeast of downtown. Due to the deadline of this report, data from other departments and permit data were not yet provided to Housing and will be reported in upcoming memos.

Finally, members of the Housing and Homelessness Solutions committee requested additional data as part of the monthly reports, including funding committed and expended and demographics of who we serve. This data is maintained by the department and can be provided upon request, but the infrastructure has not yet been created by staff to provide on a monthly basis. Housing strategy staff intend to migrate pipelines and accomplishments into an interactive dashboard this fiscal year, which will provide all the data requested in a more accessible format.

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@DallasCityHall.com or 214-670-3619



Dr. Eric Anthony Johnson
Chief of Economic Development & Neighborhood Services

Attachment: Department of Housing Performance Measure Update Presentation

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors



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**Housing and
Homelessness Solutions
November 9, 2021**

David Noguera, Director
Housing & Neighborhood Revitalization
City of Dallas

Production Chart (data as of 10/31/2021)



	Program Budget	Full Time Employees	Applied	Denied/Cancelled	Benchmark	FY 2021 Total	Oct 2021 YTD	FY 2022 Projections
Development	\$2.89m CDBG \$4.36m HOME \$1.05m CHDO	5 Employees	36	324	Units Approved	3,802	326	2,412
					Units Started	1,609	2	2,474
					Units Completed	71	12	1,983
Repair	\$3m CDBG \$1.95m Equity \$800k Bond \$1.4 m Lead \$500k DTF	2 Employees	486	133	Households Qualified	143	1	166
					Agreements Signed	N/A	2	183
					Units Repaired	189	2	255
DHAP	\$400k CDBG \$400k HOME \$220k General	2 Employees	10	5	Loans Approved	43	2	25
					Loans Provided	7	3	10
Other	N/A	N/A	N/A	N/A	Units Supported by Other Depts	1,322	375	N/A
					All Units Permitted	8,352	0	N/A

3 Admin, 3 Finance, 2 Strategy, 8 Inspection,
6 Compliance, 4 Floating Program Staff,
2 Assistant Directors, 1 Director



Development Chart (data as of 10/31/2021)



	NOFA	Land Programs	MIHDB	LIHTC/DHFC	1000 Unit Challenge	Total Pipeline
Program Budget	\$8.3 m	N/A	N/A	N/A	N/A	\$8.3 m
Units Applied	36	0	0	0	0	N/A
Units Approved	15	11	N/A	300	0	326
Units Started*	0	2	0	0	0	2
Units Completed*	5	11	0	0	0	12
Units Cancelled	0	0	0	324	0	N/A

Note: Program accomplishments are duplicative. The total pipeline is non-duplicative. E.g., if a development of 300 units uses both NOFA And LIHTC, it will be counted as 300 in both columns, but it will only count as 300 in the Total column, not 600.



*Due to the length of construction timelines, units starting construction often reflect work done a year prior, and units completed may reflect staff work completed up to 3 years prior depending on the project

Repair Chart (data as of 10/31/2021)



	HIPP	West Dallas	Tenth Street	Lead/ Healthy Homes	DTF	Total
Program Budget	\$3m	\$2m	\$750k	\$1.4m	\$500k	\$7.65m
Units Applied	466	0	0	3	17	466
Households Qualified	0	1	0	0	0	1
Agreements Signed	2	0	0	0	0	2
Units Repaired	2	0	0	0	0	2
Units Cancelled	133	0	0	0	0	133



DHAP Chart (data as of 10/31/2021)



	DHAP
Program Budget	\$1.02m
Units Applied	10
Units Cancelled	5
Loans Approved	2
Loans Provided	3



*TAPA will report data on a quarterly basis, next update expected October 2021



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