



Legislation Text

File #: 22-864, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: May 11, 2022

COUNCIL DISTRICT(S): All

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize **(1)** an amendment to the City of Dallas Comprehensive Housing Policy (CHP), previously approved on May 9, 2018 by Resolution No. 18-0704, as amended, to amend the Mixed Income Housing Development Bonus (MIHDB) program by **(a)** adding additional development bonus options including additional development rights, parking reductions, and financial incentives and **(b)** adding a fee in lieu of on-site provision to fulfill the requirements of the bonus; and **(2)** establishment of the Mixed Income Housing Development Bonus Fund - Financing: No cost consideration to the City (see Fiscal Information)

BACKGROUND

The Comprehensive Housing Policy (CHP) has three main goals: (1) create and maintain available and affordable housing throughout Dallas; (2) promote greater fair housing choices; and (3) overcome patterns of segregation and concentrations of poverty through incentives and requirements.

This proposal originally briefed under the name "One Dallas Options," is a proposed expansion of the existing Mixed Income Housing Development Bonus (MIHDB) program and is intended to incentivize additional mixed-income housing and create a revenue stream that can be used to advance equity in the city. The current program exchanges additional development rights for on-site affordable housing units. The proposed expansion adds additional development bonus options and additional ways to fulfill the requirements of the bonus.

Creation of the program requires amendments to Dallas Development Code Division 51A-4.1100, Dallas City Code Section 20A-4.1 and Article 20A-II, and the CHP.

In a public hearing scheduled for May 11, 2022, the City Council will consider an amendment to Division 51A-4.1100 of the Dallas Development Code to add a set of development bonus options and to clarify existing language.

A related agenda item also scheduled for May 11, 2022 proposes two sets of amendments to Chapter 20A to support the amendments to Division 51A-4.1100.

Amendments to the CHP

This agenda item includes an updated MIHDB program statement, creates the MIHDB Fund, and adds a program statement in the CHP to guide usage of the MIHDB fund.

Under the MIHDB Fund guidance, developments that create and preserve mixed income housing may apply for MIHDB funding through the New Construction and Substantial Rehabilitation Program's processes in accordance with the program's scoring policies as amended this summer. Funding will be subject to underwriting and may be in the form of a forgivable grant or a repayable loan depending on the results of the underwriting process.

Specific guidance and controls for the use of the fund will be developed during the summer of 2022, and all funding will be subject to this guidance.

Implementation

Together, these three items set the policy direction and regulatory framework for the MIHDB program. Actual implementation of the program will take place over the next year and will include specific guidance and controls for the MIHDB Fund, additional staff to run the program, modification of the existing Notice of Funding Availability process for the New Construction and Substantial Rehabilitation Program to disburse MIHDB fees, and associated marketing and training.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 26, 2016, City Council amended Section 20A-4.1 of the Dallas City Code to require multifamily housing accommodations that receive City funding to lease ten percent of the dwelling units solely to voucher holders by Resolution No. 16-1760 and Ordinance No. 30246.

On May 9, 2018, City Council adopted the CHP by Resolution No. 18-0704, as amended.

On November 28, 2018, City Council authorized amendments to the CHP, to make technical changes to the Home Improvement Preservation Program (HIPP), the Dallas Homebuyer Assistance Program (DHAP), and the New Construction and Substantial Rehabilitation Program by Resolution No. 18-1680.

On May 22, 2019, City Council authorized an amendment to the CHP to add a Land Transfer Program to incentivize the development of high quality, sustainable housing that is affordable to the residents of the City and the development of other uses that complement the City's CHP, economic development policy, or redevelopment policy by Resolution No. 19-0824.

On March 27, 2019, City Council approved amendments to Chapter 51A and Chapter 20A-II to create a MIHDB by Resolution No. 19-0429 and Ordinance No. 31142.

On June 12, 2019, City Council authorized amendments to the CHP to amend and restate the low-

income Housing Tax Credit policy by Resolution No. 19-0884.

On June 26, 2019, City Council authorized amendments to the CHP to amend the DHAP, the HIPP, and the HIPP Landlord Program by Resolution No. 19-1041.

On September 25, 2019, City Council authorized amendments to the CHP to create the Title Clearing and Clouded Title Prevention Pilot Program by Resolution No. 19-1498.

On December 11, 2019, City Council authorized amendments to the CHP to modify the provisions for the housing policy task force, update language to comply with the MIHDB previously approved by City Council and remove two application forms by Resolution No. 19-1864.

On January 22, 2020, City Council authorized amendments to the CHP and created a residential Neighborhood Empowerment Zone Program by Resolution No. 20-0188.

On August 26, 2020, City Council authorized amendments to the CHP to amend the DHAP program, include the 0-30% income band in the range of income bands to be served, create the Targeted Rehabilitation Program (TRP), and to allow Community Housing Development Organizations to retain a percentage of sales proceeds from eligible HOME-funded projects by Resolution No. 20-1220.

On January 27, 2021, City Council authorized an amendment to the CHP to (1) amend the loan terms in the New Construction and Substantial Rehabilitation Program to allow forgivable loans for projects with permanent supportive housing units; and (2) to remove the nine percent subsidy cap from the annual HUD 234 - Condominium Housing Limits by Resolution No. 21-0212.

On September 9, 2021, City Council authorized amendments to the HIPP, Subrecipient Minor Home Repair Grant Program, Housing Reconstruction Program, Landlord Rental Repair Program, Community Land Trust Program, and the TRP in the CHP by Resolution No. 21-1450.

On October 13, 2021, City Council authorized an amendment to the CHP to amend the loan terms in the New Construction and Substantial Rehabilitation program to remove the requirement that the City may only subordinate its lien position to a private financial institution for a loan in a greater amount by Resolution No. 21-1655.

On October 13, 2021, City Council authorized an amendment to the CHP to amend the terms of the Dallas Homebuyer Assistance Program (DHAP) to: (1) change the citizenship definition for applicants to meet the guidelines set forth by the Department of Housing and Urban Development (HUD); (2) remove the minimum income requirement of 60% of the Area Median Income (AMI) (3) remove the minimum 26% front-end loan to income ratio requirement; and (4) modify the Targeted Homebuyer Incentive Program to remove federal requirements when assistance is provided to homebuyers using nonfederal funds by Resolution No. 21-1656.

On May 11, 2021 and November 15, 2021, the Housing Policy Task Force was presented with the proposed changes to and expansion of the MIHDB program for review and comment.

On October 21, 2021, November 4, 2021, and November 18, 2021, the Zoning Ordinance Advisory Committee (ZOAC) of the City Plan Commission (CPC) considered these amendments to the Dallas Development Code; and on December 16, 2021, ZOAC recommended the proposal move to CPC.

On January 6, 2022 and February 17, 2022, CPC reviewed the proposed changes to Division 51A-4.1100 of the Dallas Development Code, and on March 3, 2022, CPC recommended approval of the amendments.

The Housing and Homelessness Solutions Committee was briefed on the Proposed One Dallas Options on October 26, 2020, January 25, 2021, June 8, 2021, December 14, 2021, and March 28, 2022.

The Economic Development Committee was briefed on the Proposed One Dallas Options on April 4, 2022.

City Council was briefed on the Proposed One Dallas Options Program on April 20, 2022.

FISCAL INFORMATION

This action has no cost consideration to the City. Net revenues to the Mixed Income Housing Development Bonus Fund during the first year are estimated to be \$4,000,000.00 - \$12,000,000. Potential future costs associated with program implementation, including overhead related to new positions, are yet to be determined.