



Legislation Text

File #: 23-1493, Version: 1

STRATEGIC PRIORITY: Housing & Homelessness Solutions
AGENDA DATE: June 14, 2023
COUNCIL DISTRICT(S): All
DEPARTMENT: Department of Housing & Neighborhood Revitalization
EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize a one-year **professional services consultant** contract, with two one-year renewals with United Way of Metropolitan Dallas, Inc. for the Emerging Developers Initiative for non-profit developer capacity-building services as described in Exhibit A and execution of the contract, approved as to form by the City Attorney - Not to exceed \$500,000.00 - Financing: Emerging Developers Fund

BACKGROUND

Through the 2022 budget development process, the City Council approved \$500,000.00 to the Department of Housing & Neighborhood Revitalization (Housing) to assist in non-profit developer capacity-building to increase affordable housing opportunities. These funds will be used to match funding provided by the private sector to build capacity for nonprofit entities interested in building affordable housing. United Way of Metropolitan Dallas, Inc. was procured through Special Needs Consideration as a result of the work in progress for this initiative.

The non-profit sector has historically filled the void that market rate for-profit developers avoid. Historically disadvantaged communities need new and improved housing, which cannot be achieved without the help of qualified non-profits, capable of developing housing stock at affordable prices while generating fair returns to sustain operations long-term. Dallas has many interested individuals and organizations that would enter the affordable housing development space but lack the capacity to get started. Needed capacity building services range from organizational, to programmatic, to project development.

Existing non-profit housing developers with a vested interest in revitalizing historically disadvantaged communities across the City of Dallas also lack capacity to achieve their goals. The network of capacity building support providers is fragmented and not accessible to many individuals and organizations that need it.

In August 2022, the United Way of Metropolitan Dallas, Inc. (United Way) received a grant for \$15,000.00 from Truist Bank to conduct research, data collection and planning for the Emerging Developers' Initiative. In March 2023, Schwab Bank contributed an additional \$12,500.00 to the efforts. United Way contracted with Dionne Roberts, President and Chief Executive Officer of TDA Consulting Inc., (TDA) to assist with facilitation of two focus groups. The focus group discussions were on specific topics for upcoming opportunities for needs faced and gaps in services.

The first focus group, "Challenges Facing Nonprofit Affordable Housing Developers," was a two-hour session on September 8, 2022, with more than 25 members of the non-profit housing community. Participants included current developers, service providers, and related entities such as architects. While funding was the biggest need across the board, collaboration and capacity building were also recognized by all as being critical to building a strong ecosystem and sustainable organizations.

The second focus group centered on banks, lenders, and Community Development Financial Institutions and was called, "Discussion of goals and offerings of lenders related to affordable housing." Using the information from the first focus group, United Way, TDA, and the City led a discussion with more than 20 lenders, focused on the global housing challenge facing the City of Dallas, what products the lenders currently have, and the types of deals they are supporting. The lenders that gathered for the meeting largely expressed an interest in being part of the solution and many spoke to existing strategies and efforts that are already taking place.

Overall, both the nonprofit and lender communities recognize the challenges facing the City of Dallas related to affordable housing. Further, there appears to be agreement in a number of areas as to what the gaps are that are keeping the affordable housing community from making substantial progress. These can be summarized as markets, money, capacity, and collaboration. While all participants generally indicated some level of appetite for addressing at least one of these four gaps, it is clear from the level of need that a significant and coordinated effort will be critical to increasing the ability of the non-profits to expand production and put units on the ground. The City's proposed approach of linking capacity building and production funding is an important step in changing the landscape of opportunity within Dallas.

In December 2022, United Way had several discussions with private sector developers, banks, foundations, and the Center for Non-profit Management centered around private funding opportunities and curriculum to develop the action plan for implementation. As a result of the research and data collection, United Way of Metropolitan Dallas developed a program called Emerging Developers Initiative (Program). The Program will launch later in 2023 per the timeline in the Scope of Services attached.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 28, 2022, the City Council approved the annual budget that included \$500,000.00 for the Emerging Developer Initiative, by Resolution No. 22-1424.

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on May 22, 2023. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=11989178&GUID=C04CD7AD-86BF-4A71-9E52-E79F5EBA525B>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=11989178&GUID=C04CD7AD-86BF-4A71-9E52-E79F5EBA525B)

FISCAL INFORMATION

Fund	FY 2023	FY 2023	Future Years
Emerging Developers Fund	\$500,000.00	\$0.00	\$0.00