

2024 Capital Bond Program

Economic Development, Housing & Homeless Solutions Subcommittee Recommendations



City of Dallas

September 19, 2023

Bond Funding - Guiding Principals



- The following slides assume that the Bond allocation for Economic Development, Housing & Homeless Solutions is \$275,000,000.00
- Initiative selection is based on the technical criteria, community input and national best practices
- The three departments will work together along with other city departments, to align, leverage and maximize bond investments to create maximum impact.
- Prioritization of each initiative including the lower AMI groups is to ensure equity and the purpose of the funding goes to its intended use
- 40% of funds used for rental activities must prioritize households 50% AMI or below
- Homeownership development should prioritize missing middle housing including townhomes, duplexes, and condos aligned with Dallas' comprehensive land use plan, *forwardDallas!*
- All bond-funded projects in Economic Development, Housing, and Homeless Solutions *must undergo third party underwriting to determine project feasibility, developer capacity, and financial need.*



Bond Funding (continued)



Guiding Principals

- OHS projects address the following policy guideless established by the Dallas City Council:
 - The OHS Four-Track Strategy
 - City Council directive that homeless services be located in all Council districts
 - The City's Racial Equity Plan



Economic Development, Housing & Homeless Solutions



Department	Programs/Initiatives	Budget	Total
Economic Development	Catalytic Development Area #3 UNT-D area	\$20M	\$40M
	Catalytic Development Area #4 Pleasant Grove	\$10M	
	Target Areas (per Economic Development Incentive Policy)	\$10M	
Housing & Neighborhood Revitalization	Homeownership Development	\$80M	\$200M
	Affordable Housing Rental Preservation	\$40M	
	Affordable Housing Homeownership Preservation	\$10M	
	Target Area Investment	\$70M	
Homeless Solutions	Capital investment in The Bridge Homeless Recovery Center	\$6M	\$35M
	Permanent Supportive Housing (PSH)	\$29M	
			\$275M



Economic Development Recommendation



Catalytic Development Area: UNT Dallas area

CATALYTIC DEVELOPMENT AREA – UNT DALLAS area	
Use of Funds:	General Economic Development
Funding Mechanisms:	Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc.
Policy Priorities:	Stimulate investment and development on 1,800 undeveloped acres surrounding UNT Dallas campus and DART station; area lacks basic infrastructure and faces an unproven real estate market
Prioritization:	All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review
50% of ECO bond allocation = \$20M	



Economic Development Recommendation



Catalytic Development Area: Pleasant Grove

CATALYTIC DEVELOPMENT AREA – PLEASANT GROVE	
Use of Funds:	General Economic Development
Funding Mechanisms:	Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc.
Policy Priorities:	Stimulate investment and development of City-owned land in an area of historic disinvestment (9500 Bruton; 200-300 block St. Augustine; and possibly 7525 Scyene (former Tri-City Hospital))
Prioritization:	All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review
25% of ECO bond allocation = \$10M	



Economic Development Recommendation



TARGET AREAS (per Economic Development Incentive Policy)

TARGET AREAS (per Economic Development Incentive Policy)	
Use of Funds:	General Economic Development
Funding Mechanisms:	Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc.
Policy Priorities:	Texas Enterprise Zones; census block groups with greater than 20% poverty rate; stimulate investment in southern Dallas and other areas of historic disinvestment
Prioritization:	All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review
25% of ECO bond allocation = \$10M	



Homeless Solutions Recommendation



The Bridge Homeless Recovery Center Initiative

The Bridge HRC	
Use of Funds:	Major equipment and campus renovation
17%: of OHS bond allocation = \$6M	



Homeless Solutions Recommendation



Permanent Supportive Housing Initiative

PERMANENT SUPPORTIVE HOUSING	
Use of Funds:	PSH Units
Funding Mechanisms:	Direct Subsidies to Developers City Investments in DHFC, DPFC, DHOF
Policy Priorities:	Provide housing coupled with intensive services for formerly unsheltered residents
Prioritization:	Seed money for additional permanent supportive housing units that will be developed in partnership with the local continuum of care, provider organizations and community partners, in line with existing OHS practices
83%: of OHS bond allocation = \$29M	



OHS Needs Inventory



Needs ID	Project ID	Name	Program	Project Type	Category	Description	Council	Estimate	EIA Score
48868	MUL060113	Permanent Supportive Housing	Homeless Assistance Facilities	Rehabilitation	Homeless Assistance Facilities	Partnerships with current and new providers to add permanent supportive housing	Citywide	\$29,047,000	10
48866	MUL060111	The Bridge HRC – 1818 Corsicana St.	Homeless Assistance Facilities	Rehabilitation	Homeless Assistance Facilities	New/Replacement equipment (generator and upgrade HVAC automation controls)	Citywide	\$1,593,000	10
48867	MUL060112	The Bridge HRC – 1818 Corsicana St.	Homeless Assistance Facilities	Rehabilitation	Homeless Assistance Facilities	Weatherization and renovation of The Bridge	Citywide	\$4,360,000	10



Housing Recommendation



Homeownership Development Initiative

HOMEOWNERSHIP DEVELOPMENT INITIATIVE Serving households earning up to 120% Area Median Income	
Use of Funds:	Infrastructure and Pre-Development Improvements that support homeownership development
Funding Mechanisms:	Direct subsidies to developers City investments in Dallas Housing Finance Corporation (DHFC) for land acquisition and development City investments in Dallas Public Facility Corporation (DPFC) City investments in Dallas Housing Opportunity Fund (DHOFF) External Partnerships with DART, DHA, and DISD
Policy Priorities:	Developing Mixed-income communities, building density, expanding the property tax base, serving single income households and missing middle-income housing
Prioritization:	Activities should prioritize development of missing middle housing types such as townhomes, duplexes, and condos. Acquiring land for affordable housing development



Housing Recommendation



Affordable Rental Housing Preservation Initiative

AFFORDABLE RENTAL HOUSING PRESERVATION INITIATIVE Serving households earning 0-60% Area Median Income	
Use of Funds:	Rehabilitation / Acquisition of rental housing units
Funding Mechanisms:	Direct subsidies to developers City investments in DHFC, DPFC, DHOF
Policy Priorities:	Stabilizing Neighborhoods; Anti-displacement
Prioritization:	40% of bonds funds used must serve households at 50% AMI or below
20%: of HOU bond allocation = \$40M	



Housing Recommendation



Affordable Homeowner Housing Preservation Initiative

AFFORDABLE HOMEOWNER HOUSING PRESERVATION INITIATIVE Serving households earning 0-60% Area Median Income	
Use of Funds:	Rehabilitation of homeownership units
Funding Mechanisms:	Direct subsidies to developers City investments in DHFC, DPFC, DHOF
Policy Priorities:	Stabilizing Neighborhoods; Anti-displacement
5%: of HOU bond allocation = \$10M	



Housing Recommendation



Target Area Investment Initiative

TARGET AREA INVESTMENT INITIATIVE Serving households earning 0-120% Area Median Income	
Use of Funds:	Leveraging private investments in mixed-income, mixed-use developments in high opportunity areas, including \$20M for International District
Funding Mechanisms:	Direct subsidies to developers City investments in DHFC, DPFC, DHOE, land acquisition, infrastructure, etc.
Policy Priorities:	Develop mixed-income communities, build density, expand tax base, building living wages, investing in neighborhood revitalization, developing and preserving affordable housing
Prioritization:	40% of bonds funds used must serve households at 50% AMI or below. All third-projects must submit a complete office of economic development application and undergo underwriting review to determine the source in terms of award. The International District may use up 10% of this initiative or \$2,000,000
35%: of HOU bond allocation = \$70M	



Additional Recommendations



- **Authorize Broad Proposition Language** – The three (3) bond propositions should broadly describe the expenditures for which voter approval is sought.
- **Approve a “Contract with Voters”** – When the Council authorizes the bond election, the City Council should also adopt a resolution that outlines the specific activities and projects associated with each bond proposition. This resolution should clearly outline the City Council’s policy priorities related to the expenditure of bond funding, including specific expenditure categories (i.e., homeownership, rental, target areas), targeted income bands that will be served in bond-funded projects, and underwriting requirements for all projects.
- **Create a Bond Oversight Taskforce** – Mayor Johnson should consider creating a Bond Oversight Taskforce composed of local volunteers that is advisory in nature. The Taskforce would be responsible for monitoring implementation of the 2024 Bond Program through review of proposed projects and expenditures. The Mayor should also consider assigning bond oversight to one City Council Committee. The increased transparency related to Taskforce and Council Committee monitoring of the bond program will help Dallas ensure that bond funds are spent in a timely manner on projects that will have a positive impact on the property tax base.



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