

Memorandum



DATE October 19, 2018

CITY OF DALLAS

MEMORANDUM FOR
TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair,
Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B.
Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT **Amendment to the Comprehensive Housing Policy**

On Monday, October 22, 2018, the Economic Development and Housing Committee will consider the first amendment to the Comprehensive Housing Policy Manual (CHP), previously approved on May 9, 2018, by Resolution No. 18-0704, to amend the Resolutions of Support or No Objection policy to change the application schedule for developers requesting Resolutions of Support or No Objection for multi-family rental housing development projects seeking Housing Tax Credits (HTC) through the Texas Department of Housing and Community Affairs (TDHCA) so that the City Manager may publish a schedule each year, which may be amended from time to time, for issuing one or more Request for Applications for Resolutions of Support or No Objection and brief the appropriate City Council committee on the annual schedule.

Summary

The Housing and Neighborhood Revitalization (H&NR) Department is proposing an amendment to the Comprehensive Housing Policy (Policy) that removes the reference to a once-per-year application process for considering whether to issue a Resolution of Support or No Objection for development projects seeking HTC through TDHCA and will instead allow the City Manager to publish a schedule each year, which may be amended from time to time, for issuing one or more Request for Applications for Resolutions of Support or No Objection. This change will allow the City Manager to accelerate the issuance of a Request for Applications (RFA) for HTC projects that need a Resolution of Support or No Objection prior to February 2019. However, staff recommends that the Economic Development and Housing Committee hold the proposed amendment to the Policy under advisement as the H&NR Department is not making any recommendations related to housing tax credits development projects that would require City Council action.

Background

On May 9, 2018, the Dallas City Council adopted a Comprehensive Housing Policy by Resolution No. 18-0704 that set citywide production goals for homeownership and rental units for the next three (3) years along with respective income bands that will be prioritized within the production goals. The Policy also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation. Additionally, based on the data provided in the Market Value Analysis, a tool used to assess the residential real estate market, the Policy prioritizes the allocation of funding for new construction and substantial rehabilitation of

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housing and strategically focuses certain programs, tools and strategies within three (3) types of Reinvestment Strategy Areas: (1) Redevelopment Areas are Midtown, High Speed Rail, Wynnewood, and Red Bird; (2) Stabilization Areas are LBJ Skillman, Vickery Meadow, Casa View, Forest Heights/Cornerstone Heights, East Downtown, The Bottom, West Dallas, and Red Bird North; and (3) Emerging Market Areas are Southern Gateway, Pleasant Grove, and University Hills.

One of the means by which the City can partially achieve its housing production and preservation goals is to encourage the strategic development or rehabilitation of housing units that are financed, in part, by housing tax credits. As stated in our September 7, 2018 memorandum to this Committee, the Policy includes a specific policy for developers requiring Resolutions of Support or No Objection. The Policy states that the City will issue an RFA for resolutions in December of each year and bring forth recommendations to the Economic Development and Housing Committee and City Council in February of each year. This once-per-year RFA process was designed to allow the City to review all HTC projects at the same time and take into account the three goals for the development of a comprehensive strategy for housing: 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.

Issue

Based on staff's experiences implementing the Policy and feedback from stakeholders, staff recommends this amendment to the Policy to allow the City Manager to publish a schedule each year, which may be amended from time to time, for issuing one or more Request for Applications for Resolutions of Support or No Objection. In anticipation of City Council's approval of the amendment, and as proposed in our September 7, 2018 memorandum to this Committee, the H&NR Department issued an RFA that required applicants to submit a proposal by September 27, 2018. Two developers submitted proposals by the deadline and staff reviewed each proposal. As a result of the review, staff is not recommending that either project receive a Resolution of No Objection.

Fiscal Impact

No cost consideration to the City.

Departments/Committee Coordination

On May 9, 2018, City Council adopted the Comprehensive Housing Policy by Resolution No. 18-0704.

On September 4, 2018, the Economic Development and Housing Committee was briefed on a proposed amendment to the Policy to allow for an accelerated issuance of a Request for Applications (RFA) for Resolutions of No Objection for rehabilitation of multifamily rental housing projects seeking Housing Tax Credits. The Committee voted to hold the

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item under advisement and take it up at the September 17, 2018 meeting of the Committee but also voted to schedule a special-called meeting on October 22, 2018 to consider the proposed amendment.

Staff Recommendation

Staff recommends that the Economic Development and Housing Committee hold the proposed amendment to the Comprehensive Housing Policy under advisement as the H&NR Department is not making any recommendations that would require City Council action related to the two projects.



David Noguera, Director
Housing and Neighborhood Revitalization

c: Chris Caso, City Attorney (I)
Carol A. Smith, City Auditor (I)
Billerae 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
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors