

Dallas Housing Finance Corporation and Dallas Public Facility Corporation Tax Exemption Summary

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Background



- What is an HFC/PFC?
 - These are public instrumentalities formed by the City for the purpose of preserving and providing greater access to safe, sanitary, and affordable housing to the residents of Dallas
 - All major cities and counties in Texas participate in these programs
 - Projects built and operated by these corporations account for the vast majority of new affordable housing production in the state

Benefit to the City



- Who is served?
 - Lower and middle income residents who are burdened by rent (more than 30% of income spent on housing)
- Typical Examples of Qualified Residents:

Qualified Residents		
Occupation	Employer	Average Income
Custodian	UNT Dallas	\$28,300
Customer Service Agent	Dallas Police Department	\$28,592
Bus Driver	Paul Quinn College	\$29,796
Teaching Assistant	Dallas ISD	\$30,613
Nursing Assistant	VA North Texas Health Care System	\$32,156
Warehouse Associate	Amazon Fulfillment Center FTW1	\$34,000
Sales Representative	Allstate	\$35,568
Mail Carrier	United States Postal Service	\$38,410
Financial Clerk	Dallas ISD	\$41,207
Administrative Assistant	Methodist Charlton Medical Center	\$43,008
Plumbing Specialist	SSG Plumbing	\$45,175
Construction Worker	Bluecrew	\$45,250
Maintenance Technician	Dallas ISD	\$46,420
Entry-Level Accountant	Southwest Search	\$47,000
Financial Bookkeeper	TRS Staffing	\$47,500
Assistant Property Manager	Bell Partners	\$48,750

- Other Benefits: less local traffic due to residents staying near work, more sales tax from retained residents, rent savings contributing to a bridge to homeownership

Project Oversight



- These project are HIGHLY regulated and strictly vetted AND monitored
- Projects approval process can often take 2-3 years
- Project Approvals are subject to:
 - All Projects **MUST** be approved by City Council
 - Proper zoning approvals from P&Z
 - At least **two** separate approvals from HFC/PFC Board
 - Bond Counsel/ Bond Underwriter
 - Attorney General Opinion (For bond-funded projects)
 - Developer
 - Equity Partners
 - Lender/Underwriter
 - Tax Counsel/Opinion
- **Ongoing** compliance monitoring from:
 - City of Dallas
 - TDHCA
 - HUD
 - DHFC Board

Background

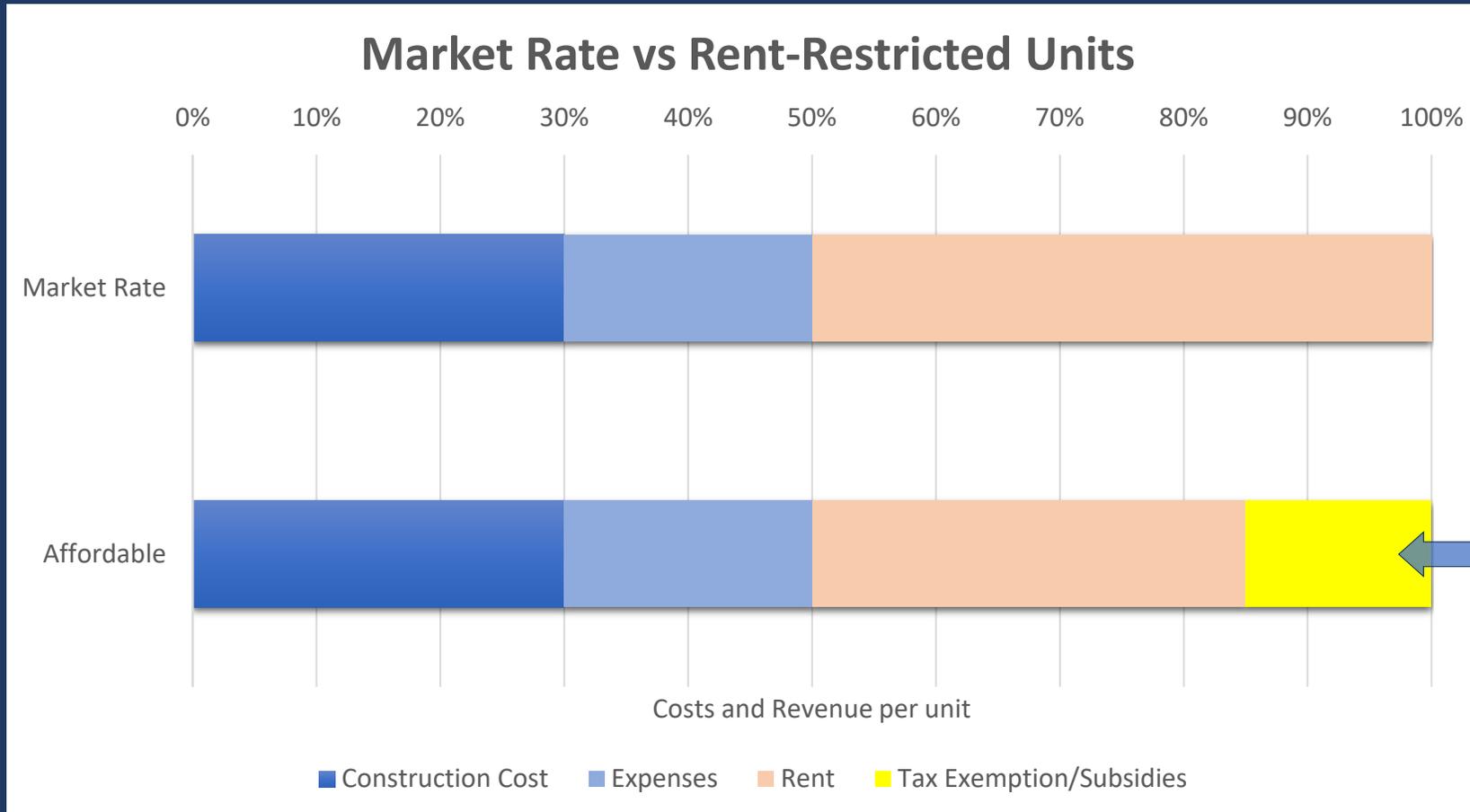


- How is Affordable Housing Funded?
 - Tax Credits (Federal Dollars from the State)
 - Property Tax Exemptions
 - Tax-Exempt Bonds
 - CDBG and HOME Funds (Housing Department)
 - Local Government Bond Issuances
 - Charities/Faith-Based Programs
- Each restricted-rent unit costs money to fund each year
- Subsidies from the above-listed programs fund these units
- Estimated total land exemptions equal about \$4.5 million or roughly 1/5 of one percent of the city budget
- Units average about \$200 per year subsidy from the city of Dallas
- In contrast, public benefits including rental savings and payments to the DHFC/DPFC average about \$500 per unit/yr

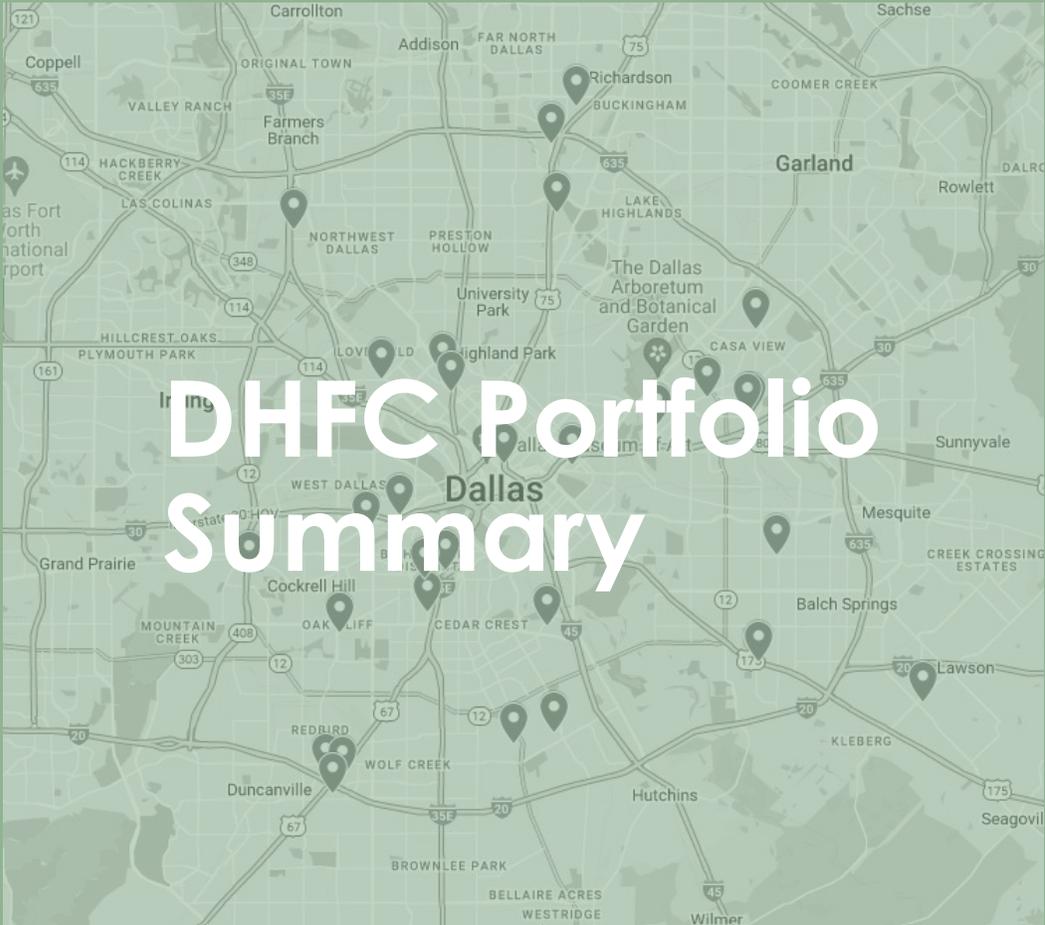
Tax Exemptions



- How do tax exemptions fund Affordable Housing?



1. Costs to build and operate affordable and market rate units are EQUAL
2. Revenues available to operate affordable properties are reduced due to lower rent prices
3. Tax exemptions and other subsidies make affordable housing possible by covering the rent shortfall



42 total - 28 in operation, 14 under construction/renovation

Total Properties	
Total Units	9,616
LIHTC Units	7,467
Essential Bond Units	447
Workforce Units	1,702
Voucher/30% AMI Units	1,316
50% AMI Units	1,108
60% AMI Units	5,913
80% AMI Units	868
Market Rate Units	411

What is LIHTC?



- It stands for “Low Income Housing Tax Credit”
- Established in the 1980s, this federal program gives tax credit equity to developers in exchange for rent-restricted units in housing developments
- Rents are governed by a Land Use Restriction Agreement(LURA) that is a standard 30-year restriction on affordable rents
- LIHTC programs in Texas are administered and monitored by TDHCA, the state agency that administers housing funds
- LIHTC projects are typically 100% restricted at 60% AMI
- Funding for these projects typically consists of several parts:
 1. Tax Credits
 2. Tax Exempt Bonds
 3. Investor Equity
 4. Soft Funds
 5. Tax Exemptions

Tax Exemptions

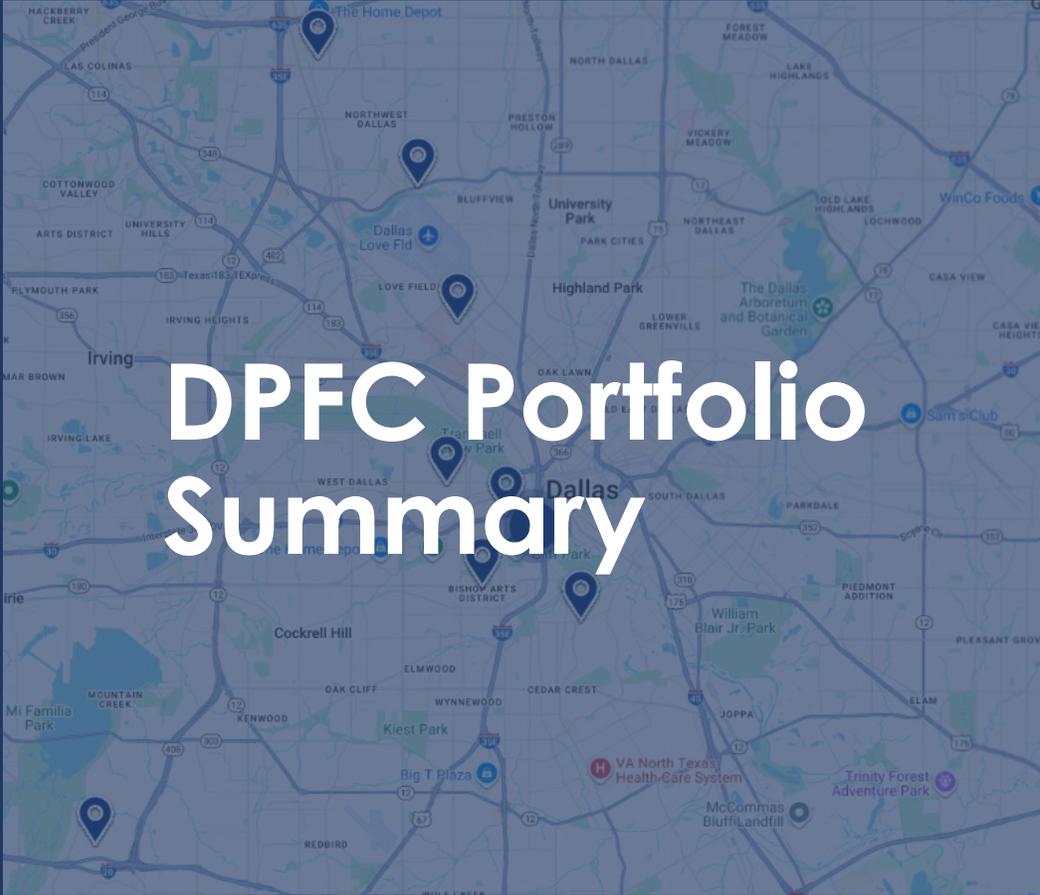


- In 2025, the 35 properties in the DHFC portfolio that include tax exemptions cost the city **\$1,756,256** in actual taxes forgone
- On a per unit basis, that is **\$213 per year** for each unit of tax-exempt property
- To put that in perspective, the city subsidy of **\$18 per month per unit** provides over 9,000 families access to safe and high-quality affordable housing
- Since 2011, actual forgone taxes to the city total \$4.8 million

DHFC Tax Exempt Property Summary

*Denotes a property with a previous tax exemption

Property	Units	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gurley Place	24	\$ -	\$ 2,727.98	\$ 2,809.81	\$ 2,894.11	\$ 2,980.93	\$ 3,070.36	\$ 3,162.47	\$ 3,257.35	\$ 3,355.07	\$ 3,455.72	\$ 3,559.39	\$ 3,666.17	\$ 3,776.16	\$ 3,889.44	\$ 4,006.12
Providence Mockingbird	251	\$ -	\$ 19,933.98	\$ 20,532.00	\$ 21,147.96	\$ 21,782.40	\$ 22,435.87	\$ 23,108.95	\$ 23,802.22	\$ 24,516.28	\$ 25,251.77	\$ 26,009.33	\$ 26,789.61	\$ 27,593.29	\$ 28,421.09	\$ 29,273.73
Sterlingshire	264	\$ -	\$ -	\$ -	\$ -	\$ 8,528.50	\$ 8,784.36	\$ 9,047.89	\$ 9,319.33	\$ 9,598.91	\$ 9,886.87	\$ 10,183.48	\$ 10,488.98	\$ 10,803.65	\$ 11,127.76	\$ 11,461.60
Park at Cliff Creek	280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,674.83	\$ 6,875.08	\$ 7,081.33	\$ 7,293.77	\$ 7,512.58	\$ 7,737.96	\$ 7,970.10	\$ 8,209.20	\$ 8,455.48	\$ 8,709.14
Martha's Vineyard	100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,292.40	\$ 23,991.17	\$ 24,710.91	\$ 25,452.24	\$ 26,215.80	\$ 27,002.28	\$ 27,812.35	\$ 28,646.72	\$ 29,506.12
The Galbraith	217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,770.56	\$ 15,213.68	\$ 15,670.09	\$ 16,140.19	\$ 16,624.40	\$ 17,123.13
Estates at Shiloh	264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,550.85	\$ 13,957.38	\$ 14,376.10	\$ 14,807.38	\$ 15,251.60	\$ 15,709.15
Palladium Redbird	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,678.61	\$ 4,818.96	\$ 4,963.53	\$ 5,112.44	\$ 5,265.81	\$ 5,423.79
Fairway Village	250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,907.52	\$ 10,204.74	\$ 10,510.88	\$ 10,826.21	\$ 11,151.00	\$ 11,485.53
Midpark Towers	202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,630.57	\$ 40,819.49	\$ 42,044.07	\$ 43,305.39	\$ 44,604.55
Westmoreland Station	248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,110.60	\$ 3,203.91	\$ 3,300.03	\$ 3,399.03	\$ 3,501.00
Ridge at Lancaster	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,580.30	\$ 3,687.71	\$ 3,798.34	\$ 3,912.29	\$ 4,029.66
The Briscoe	322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,289.17	\$ 372,127.84	\$ 383,291.68	\$ 394,790.43
The Dylan	125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,906.82	\$ 183,244.03	\$ 188,741.35	\$ 194,403.59
Terrace at Southern Oaks	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,669.09	\$ 2,749.16	\$ 2,831.63	\$ 2,916.58
Meadowbrook	180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,859.02	\$ 6,034.79	\$ 6,215.83	\$ 6,402.31
Highpoint at Wynnewood	120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,409.15	\$ 5,571.42	\$ 5,738.56
Domain at Midtown	395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,930.53	\$ 115,288.44
Axis Kessler	299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,144.08	\$ 285,458.40
Ash Creek	280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,442.76	\$ 66,376.04
Positano	232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,903.48	\$ 64,790.59
Mondello	150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,984.39	\$ 47,363.92
Terrace at Highland Hills	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,266.47	\$ 2,334.46
Crossing at Clear Creek	264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,556.49	\$ 10,873.19
Estates at Ferguson	164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,080.61	\$ 6,263.03
West Virginia Apartments	204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,530.32	\$ 68,526.23
Waterford at Goldmark	220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,767.52	\$ 99,670.55
2929 Wycliff	284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348,108.67
Tenison Lofts	164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,091.93
Ridge at Loop 12	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,499.22
*Hiline Illinois	200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
*Palladium Buckner Station	304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legacy on Kiest	180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,142.71
Gateway Trinity Forest	300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,307.26
Westmoreland Townhomes	242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,509.71
Totals	8229	\$ -	\$ 22,661.96	\$ 23,341.82	\$ 24,042.07	\$ 33,291.84	\$ 40,965.43	\$ 65,486.79	\$ 67,451.39	\$ 69,474.94	\$ 114,466.72	\$ 164,222.19	\$ 538,966.13	\$ 560,544.26	\$ 1,321,967.22	\$ 1,756,285.75
Cumulative Units			275	275	275	539	819	919	919	919	1950	2700	3627	3747	6255	8229
Cost/Unit			\$ 82.41	\$ 84.88	\$ 87.43	\$ 61.77	\$ 50.02	\$ 71.26	\$ 73.40	\$ 75.60	\$ 58.70	\$ 60.82	\$ 148.60	\$ 149.60	\$ 211.35	\$ 213.43



DPFC Portfolio Summary

Total Properties	19 total - 12 in lease up, 7 under construction
Total Units	3,826
Affordable Units	1,936
30% AMI Units	3
50% AMI Units	22
60% AMI Units	252
80% AMI Units	1,659
Market Rate Units	1,893

Background - DPFC



- Dallas Public Facility Corporation (DPFC) was established in 2020 under chapter 303 of the local government code
- DPFC programs are aimed at providing greater access to housing affordability through multifamily workforce housing
- Program Guidelines:
 1. 60 year property tax exemption for new construction
 2. Minimum of 40% of the total units restricted to 80% AMI
 3. Minimum of 10% of the total units restricted to 60% AMI
 4. Projects are audited each year through TDHCA for affordability compliance
 5. Noncompliance must be cured or tax exemptions are paid back

Tax Exemptions - DPFC



- In 2025, the 19 tax-exempt properties in the DHFC portfolio cost the city **\$385,634** in actual taxes forgone
- On a per unit basis, that is **\$201 per year** for each unit of tax-exempt property
- To put that in perspective, the city subsidy of **\$33 per month per unit** provides over 3,800 families access to safe and high-quality affordable housing
- Since 2020 when this program was initiated, actual forgone taxes to the city total \$882,000 for the entire portfolio

DPFC Tax Exempt Property Summary

	*Denotes a property with a previous tax exemption		v DPFC Creation Year v				
	Property	Units	2021	2022	2023	2024	2025
1	Oakhouse at Colorado - Phase 1	215		\$ 2,469.46	\$ 2,543.55	\$ 2,619.85	\$ 2,698.45
2	Ascent at Mountain Creek	324		\$ 23,060.40	\$ 23,752.21	\$ 24,464.78	\$ 25,198.72
3	Standard at Royal	300		\$ 3,641.70	\$ 3,750.95	\$ 3,863.48	\$ 3,979.38
4	Banyan Flats	289			\$ 7,037.03	\$ 7,248.14	\$ 7,465.58
5	COOP Maple	130			\$ 20,402.82	\$ 21,014.91	\$ 21,645.35
6	Bishop Ridge - Ferguson Flats	42			\$ 2,698.67	\$ 2,779.63	\$ 2,863.02
7	Bishop Ridge - The Cambridge	42			\$ 5,372.18	\$ 5,533.34	\$ 5,699.34
8	The Finch	153			\$ 2,320.40	\$ 2,390.01	\$ 2,461.71
9	COOP Bluffview	175			\$ 23,981.35	\$ 24,700.79	\$ 25,441.81
10	Bishop 8th	232			\$ 51,908.09	\$ 53,465.33	\$ 55,069.29
11	COOP Singleton	176			\$ 11,978.59	\$ 12,337.95	\$ 12,708.09
12	*The Hayden*	300			\$ -	\$ -	\$ -
13	The Park at Northpoint	426			\$ 51,360.88	\$ 52,901.70	\$ 54,488.76
14	Bishop Ridge - The Bowie	75				\$ 973.57	\$ 1,002.78
15	Bishop Ridge - The Parker	127				\$ 15,067.27	\$ 15,519.29
16	The Cedars - The Marcus	76				\$ 5,738.22	\$ 5,910.36
17	The Caroline	300				\$ 24,681.87	\$ 25,422.32
18	BLC - Burnett Lofts	86					\$ 105,844.44
19	Loma	358					\$ 12,214.81
	Totals	3826	\$ -	\$ 29,171.56	\$ 207,106.71	\$ 259,780.84	\$ 385,633.52
	Cumulative Units			839	2804	3382	3826
	Cost/Unit			\$ 34.77	\$ 73.86	\$ 76.81	\$ 100.79
	Cumulative Taxes Forgone			\$ 29,171.56	\$ 236,278.27	\$ 496,059.10	\$ 881,692.62
							^ Conception to date taxes forgone^