

# Memorandum



CITY OF DALLAS

DATE September 2, 2018

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

SUBJECT **REVISED: Accelerating Issuance of RFA's for 4% Rehabilitation Projects**

On Tuesday, September 4, 2018, you will be briefed on the accelerated issuance of a Request for Applications (RFA) for Resolutions of No Objection for rehabilitation of multi-family rental housing projects seeking Housing Tax Credits.

## Summary

The Comprehensive Housing Policy allows the City to issue a Request for Applications for Resolutions of Support or No Objection in December of each year. However, the Comprehensive Housing Policy does not specify what types of housing tax credit projects this date applies to and while the date works for 9% Low Income Housing Tax Credit (LIHTC) proposals, it fails to incorporate a schedule that correlates with the 4% LIHTC proposals that are for rehabilitation. To help families access safe, decent and affordable housing options, and minimize the impact on the Comprehensive Housing Policy, staff recommends accelerating the issuance of RFAs for those 4% LIHTC rehabilitation projects that (1) do not need City funding and (2) need a Resolution of No Objection prior to November 15, 2018.

## Background

On May 9, 2018, the Dallas City Council adopted a Comprehensive Housing Policy that established three broad goals—create and maintain affordable housing units throughout Dallas, promote greater fair housing choices and overcome patterns of segregation and concentrations of poverty through incentives and requirements. One of the programs used to achieve the housing goals is Low-Income Housing Tax Credits (LIHTC). The Comprehensive Housing Policy also established an annual review process in December of each year for all LIHTC proposals in need of a resolution of support or no objection for submission to the Texas Department of Housing and Community Affairs (TDHCA).

## Issue

The Comprehensive Housing Policy annual review of LIHTC proposals in December of each year correlates with the 9% LIHTC program submission dates. However, this timeframe negatively impacts rehabilitation project that do not need City funding and it conflicts with the schedule dictated by state law for 4% LIHTC projects that need bond funds in excess of \$20 million; the applicable citation is Section 1372.037 of the Texas

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Government Code. During August 15 through November 15 is when developers will be eligible for bonds in excess of \$20 million.

### **Alternatives**

The City can maintain its existing schedule described in the Comprehensive Housing Policy for issuance of an RFA and forgo all 4% LIHTC rehabilitation projects that do not need City funding and those that need a Resolution of No Objection prior to November 15, 2018.

### **Fiscal**

The City does not incur a financial impact in issuing Resolutions of No Objection.

### **Staff Recommendation**

In keeping with the intent of the Comprehensive Housing Policy, most LIHTC proposals would be evaluated under the December RFA including new projects applying for 4% and 9% tax credits. Staff will brief the Economic Development and Housing Subcommittee on Tuesday, September 4, 2018, and seek authorization to amend the Comprehensive Housing Policy to accelerate issuance of the RFA for existing projects in need of rehabilitation that do not need City funding and those that need a Resolution of No Objection prior to November 15, 2018. The following timeline would be used to accommodate such projects:

- September 12, 2018 - Recommending approval by City Council
- September 19, 2018 – Receive RFA proposals
- September 26, 2018 – Recommend RFA proposals for Resolution of Support or no Objection



David Noguera  
Director, Housing & Neighborhood Revitalization

c: Larry Casto, City Attorney  
Craig Kinton, City Auditor  
Billerae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizor 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