

Advancing Affordable Housing Solutions

Dallas Housing Finance Corporation &
Dallas Public Facility Corporation



The Dallas Housing Finance Corporation (DHFC) and Dallas Public Facility Corporation (DPFC) were established to help galvanize the development of affordable housing in Dallas for low- and middle-income residents. All major cities across Texas employ these types of programs to increase access to affordable housing. Projects built and operated by these entities account for the vast majority of new affordable housing production in the state.

Both organizations share a united mission and serve our lower-income population in the City of Dallas who need access to better affordable housing options.

The Mission

Provide decent, safe, sanitary, accessible, and affordable housing to the residents of Dallas.

About DHFC and DPFC

Who We Serve

Lower- and middle-income residents who are burdened by rent, meaning they **spend more than 30% of income** on housing. Typically, these are households earning 30–80% AMI.

Here are some examples of the types of residents these programs support.

30%
of income
spent on
housing



Qualified Residents

OCCUPATION	EMPLOYER	AVERAGE INCOME
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 FTWI	\$34,000
Mail Carrier	United States Postal Service	\$38,410
Administrative Assistant	Methodist Charlton Medical Center	\$43,008
Construction Worker	Bluecrew	\$45,250

One Mission, Unique Toolsets

While the DHFC and the DPFC serve similar populations and share a mission, they have distinct areas of focus and tools they employ to create affordable housing.

The DHFC provides tax-exempt mortgage revenue bonds and other support for the acquisition, construction or substantial rehabilitation of multi-family housing. Developments facilitated by DHFC financing provide housing for individuals and families. Tax exemptions and other subsidies make affordable housing possible by covering the rent shortfall.

The DPFC seeks to develop and preserve mixed-income workforce housing communities to serve residents earning at or below 80% of the area median income (AMI) as well as provide non-income restricted units.

	DHFC	DPFC
Established	1984 The Housing Finance Corporations Act	2020 Public Facility Corporations Act
Demographic Focus	Households in the income range of 30%-80% AMI	Workforce families at or below 80% AMI
Housing Portfolio	Single-family homes & workforce housing	Multi-family workforce housing
Program Guidelines	<ul style="list-style-type: none"> The majority of the DHFC properties are LIHTC LIHTC projects are typically 100% restricted at 60% AMI To participate in the 4% LIHTC program, developments must receive a Resolution of No Objection or Support from City Council 	<ul style="list-style-type: none"> 60 year property tax exemption for new construction Minimum of 40% of the total units restricted to 80% AMI Minimum of 10% of the total units restricted to 60% AMI
Financing	<ul style="list-style-type: none"> Tax Credits Tax-exempt Bonds Investor Equity Soft Funds Tax Exemptions 	<p>Conventional debt and equity and does not typically utilize tax credits.</p> <p>As a result, these projects need a larger percentage of market-rate units to support the mixed-income units.</p>

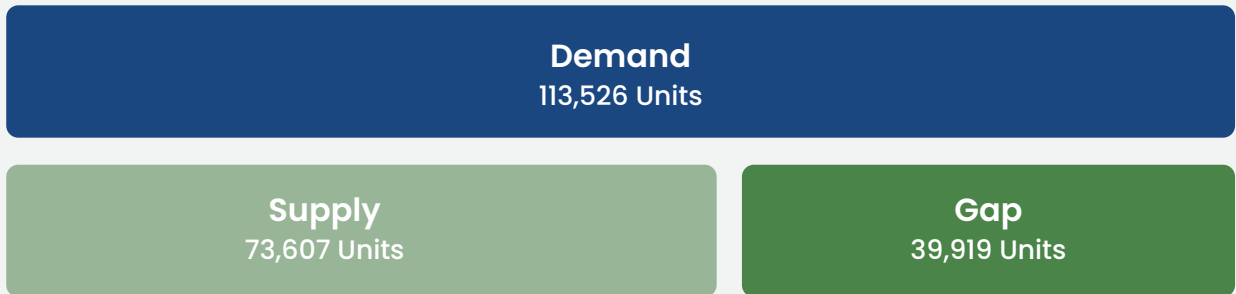
Impact

Housing Supply Gap

According to the Child Poverty Action Lab, by 2035 the housing supply gap is projected to increase to 76,000 units for households earning at or below 50% AMI in Dallas.

Source: *City of Dallas Rental Housing Needs Assessment*

2022



2035 (projected)



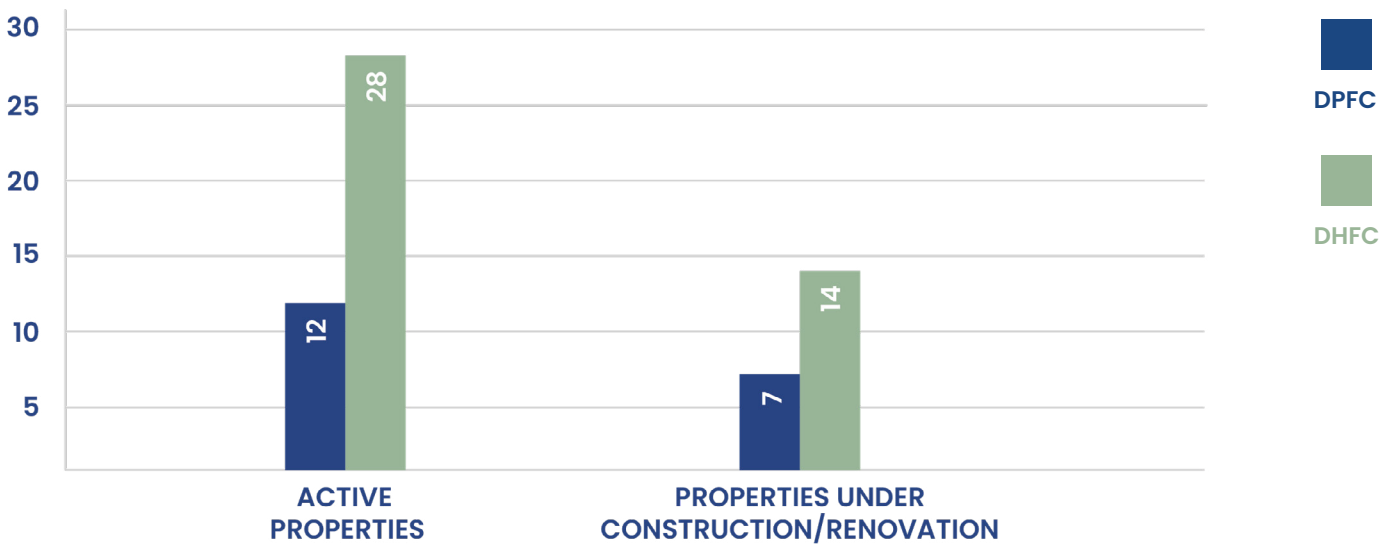
Impact



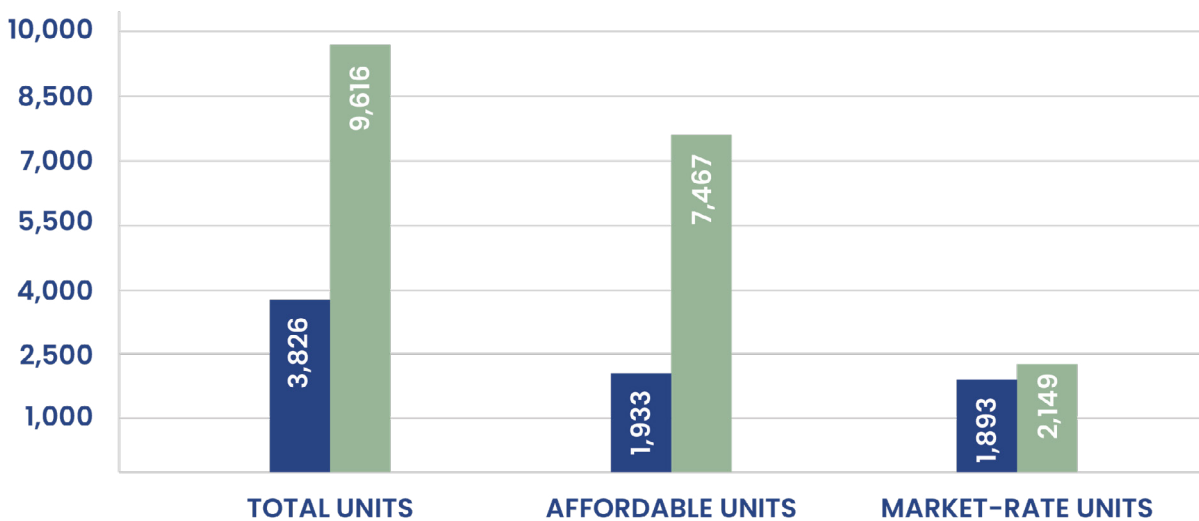
Affordable Housing

The DHFC and DPFC represent a portfolio of 13,442 total housing units. In this portfolio, a vast majority—11,138 units (83%)—are affordable housing options for residents who earn between 50–80% AMI.

Properties



Units



Example Projects: *DHFC*

The Galbraith

Location: Downtown Dallas – Bryan Street
District 14
Affordable Units = 111
Market-Rate Units = 106
Website: thegalbraithdallas.com



Palladium Red Bird

Location: South Dallas – Red Bird
District 8
Affordable Units = 210
Market-Rate Units = 90
Website: palladiumredbird.com



Example Projects: *DPFC*

Banyan Flats

Location: Oak Cliff - N. Beckley Avenue
District 1
Affordable Units = 145
Market-Rate Units = 144
Website: banyanflatsapts.com



Oakhouse

Location: Oak Cliff - Colorado Boulevard
District 1
Affordable Units = 108
Market-Rate Units = 107
Website: oakhousedallas.com



Highlights



Land is typically restricted for affordable housing for **30 years**



All DHFC projects must accept vouchers, so all housing created through the DHFC helps voucher holders secure housing in Dallas



Single-family home initiatives are set up to help participants **build generational wealth through homeownership**



DPFC projects have been used as **economic development** tools to spur development in underinvested areas, but will require layered subsidies in those situations



The DPFC program **provides opportunities to develop affordable housing in higher income areas** that is otherwise financially infeasible to other programs



Qualified residents save **\$588 per month** on average through PFC affordable units

DHFC Priority Multi-Family Projects

Demolition and reconstruction of existing substandard multi-family developments;

Rehabilitation/adaptive reuse of existing multi-family developments;

New construction of housing for special needs such as seniors or individuals with disabilities;

Low-Income Housing Tax Credit (LIHTC) financed projects for new construction of housing for low- and moderate-income households, with a priority given to master-planned, mixed-income and transit-oriented developments.

Financial Impact

DHFC estimated total land exemptions equal about \$4.8 million, or roughly 1/5 of one percent of the city budget, with the DPFC total exemptions at \$880,000

DHFC yearly subsidies from tax exemptions total about \$213 per unit per year, with DPFC subsidies costing the city roughly \$100 per unit per year

In contrast, public benefits including rental savings and payments to the DHFC/DPFC average about \$500 per unit/year

All revenue is directed to housing activities as directed by Ch. 394 and 303 of the Local Government Code

Myths vs. Facts: DHFC & DPFC

There are some misperceptions about the DHFC and DPFC programs negatively impacting the city's tax revenues and that the programs mainly support multi-family housing vs. single-family homes.

Myth

When requesting a DPFC financing structure, **a developer leases land from the PFC, and the property is taken off the tax rolls for a 75-year period**, which negatively impacts revenues for the city's general fund.

DHFC and DPFC portfolios are mainly focused on multi-family housing and don't have an impact on single-family home ownership.

There are not enough regulations or oversight in place to ensure requirements of these housing programs are met, resulting in a wide variety of program compliance issues.

Fact

The DPFC tax exemption for a new construction project is 60 years, and to date has **only cost the city roughly \$800,000 to build almost 4,000 units.**

It is an incredibly efficient way to build housing. Average development costs for market-rate units are **\$250K-\$300K per unit.**

DHFC has contributed bond funds of over \$100 million to provide loans for over 350 single-family loans. In addition, many residents utilize the low rents at our properties as a bridge **while saving for a down payment** on a future home.

Compliance is extremely strict at these properties, with heavy penalties and subsidy repayment required for repeated violations of noncompliance.

In addition, DHFC/DPFC partnerships allow the city extra layers of control over property operations as direct owners of the properties.

Governance

Each entity (DHFC and DPFC) is organized as a nonprofit 501(c)(3) with a 15-member Board of Directors. Each City Council Member and the Mayor appoint one representative to each Board.

The Boards approve a budget each year and receive monthly updates on operations, finances, and project compliance. ALL projects are subject to final approval by City Council before either entity can finalize any development agreements.

DHFC

- Texas Department of Housing & Community Affairs (TDHCA) administers tax credits (LIHTC) for the state on behalf of the federal government and sets program requirements
- The Dallas Housing Resource Catalogue sets City policy for receiving applications for resolutions
- To participate in the 4% LIHTC program, developments must receive a Resolution of No Objection or Support from City Council in regards to their application to the Texas Bond Review Board for tax-exempt bonds as well as a separate application for tax credits to TDHCA

DPFC

- Projects are audited each year through TDHCA for affordability compliance
- Noncompliance must be cured or tax exemptions are paid back

Vision and Goals for 2026

Addressing Housing Gaps

Focus DHFC and DPFC projects to prioritize those that fill the gaps identified in the Housing Needs Assessment and Action Plans for development of units for families below 50% AMI and homeownership opportunities.

Provide Affordable Housing

DPFC will continue to provide workforce housing in areas of greatest need. Finding sites where partners can provide affordable housing in high opportunity areas will assist with eliminating concentrations of poverty

Community Revitalization

DHFC will continue working with local communities and council members to spur community revitalization through increased access to services and local wealth building by reducing housing costs through the LIHTC program.

Expanding Housing Options for All

Both entities will continue to further fair housing across the City of Dallas and provide diverse unit mix to provide housing options for all including single residents and families with children.