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2025 OCT 20 PM 3:41

CITY SECRETARY  
DALLAS, TEXAS



CITY OF DALLAS

DATE October 20, 2025

TO City Manager Kimberly Bizer Tolbert

SUBJECT **Lack of Supported Data for Staff Position on HFC/PFC Bylaw Changes**

With the encouragement of the HHS Committee, Housing Department staff initiated a review of the Dallas Housing Finance Corporation (DHFC) and the Dallas Public Facilities Corporation (DPFC) on October 29, 2024. Unfortunately, a review that was projected to be completed within just a few months remains incomplete a year later. Attached to Item C in the October 21, 2025 HHS Agenda are proposed Housing Policy 2033 Program Statements for each corporation that represent staff's latest attempt to seek approval for its review recommendations.

During the October 29, 2024 meeting, HHS Committee members, the DHFC and DPFC Boards, and the affordable housing developer community were asked to provide input to the review by responding to staff's 13 questions regarding the following areas of concern:

- The Corporations' use of excess revenue
- Location of future development projects
- Project approval process
- Corporate control

I complied with that request in my email to the City Manager on November 22. When the topic was again on the HHS agenda on January 28, 2025, I was surprised and disappointed that very little of my input was reflected in 25 change recommendations presented by Housing Department staff. I was particularly disappointed that a very specific request from my November 22 input was not followed. It read "As the Council review moves forward, it is my hope that Council, staff and the Corporations will embrace collaboration, and respect the roles and responsibilities each has, and that transitioning to Council directed policies will result in enhanced relationships through improved communication, support, and shared commitment."

Unfortunately, the review process has not been collaborative and relationships have been strained instead of enhanced, and virtually all stakeholders who have communicated with me feel the City is going down the wrong path and that the outcome of the recommendations will result in diminishing these **housing programs that we depended on last year to deliver 73% of the City's total affordable rental housing unit production.**

My concerns over the unwillingness of staff to initiate collaborative discussions with the Corporation Board officers and the developer community are well documented in my memos to City Manager Tolbert of January 27, 2025 and April 9, 2025 - the latter of which was co-authored by Council Members Ridley and Willis. Then on May 16, 2025 a breakthrough occurred when housing stakeholders and Housing Department staff

participated in a meeting hosted by Assistant City Manager Bentley and the Real Estate Council during which concerns were expressed and consensus solutions began to emerge. That collaborative process continued with a second meeting on July 29, 2025. The result has been positive. Many recommendations that were administrative and procedural in nature have been agreed to, but a few substantive disagreements remain. DHFC and DPFC Board leaders will join staff in presenting Agenda Item C at the October 21, 2025 HHS meeting and advocate for their positions relative to the two proposed policy program statements.

In my opinion, the most important discussion HHS and Council need to have regarding the DPFC and the DHFC are their policies regarding allowable project locations and AMI levels of Dallas citizens we wish projects to address. These are major policy decisions that will have broad impact, yet staff has yet to present any research, data, or evidence of any kind supporting their assumptions and recommended restrictions.

For example, DHFC will not be allowed to request waivers for LIHTC in RCAP areas and areas with 20% poverty or higher unless redevelopment of an existing low-income property is proposed. Staff's underlying assumption is that area poverty is further concentrated if 9% and 4% LIHTC projects are built in areas with poverty rates greater than 20%. This is a new policy request without any evidence submitted to support it. A strictly binary over or under 20% is a rudimentary location policy. A more nuanced policy would be one that identifies and examines mitigating factors in higher poverty areas including:

- Degree of resident rent burden
- Projected loss of units from expiring rental subsidies and loss of naturally occurring affordable Housing (NOAH), which are generally the highest in higher poverty areas, and the resulting need for new affordable units to replace them.
- Area's risk of gentrification which could call for new affordable unit availability to stably house nearby displaced residents.

This is just one example of questions that must be answered with research and data before HHS consideration of policy recommendations should begin.

The research and data evidence that I ask the staff to gather include:

- Evidence that 9% and 4% LIHTC affordable housing projects further concentrate poverty in Dallas.
- Evidence that the mitigating factors mentioned above are not sufficient to justify locating a LIHTC project in a higher poverty area.
- Evidence that the AMI % and location restrictions that would be placed on the DHFC and DPFC in recommendations will not diminish the current affordable unit production levels of these two important programs.
- Evidence that the projects will pencil given increased land costs and lower market rental revenue.
- Evidence that developers will not reduce their usage of the programs.
- Evidence that the degree of priority being placed on development of units for residents below 50% at the expense of workforce housing serving those in the

50% to 80% AMI levels is justified particularly given that the Housing Departments 2023-2024 City Supported Production Report indicates that 45% of all production is serving 50% and below AMI residents.

According to data developed by Cullum Clark, Director Bush Institute-SMU Economic Growth Initiative, the number of fully affordable housing new builds in most cities increased somewhat for the periods 2010-16 to 2017-23. Dallas, by contrast, is an outlier. Affordable new builds fell 88% from the earlier period to the latter. Also, new LIHTC units per capita in Dallas from 2010 - 2021 are lower than most major metropolitan areas in the South and Mountain West and the lowest compared to the five Texas major metropolitan areas.

Therefore, staff has a lot more evidence to gather before HHS can ensure any proposed policy changes will not diminish the DPFC and DHFC programs but will instead, give them greater flexibility to deliver even more badly needed units above and below 50% AMI and in both low and high opportunity areas.

Regards,



Chad West

c: Honorable Mayor & City Council  
Robin Bentley, Assistant City Manager  
Thor Erickson, Director, Office of Housing & Community Empowerment  
Aaron Eaquinto, HFC General Manager  
Keith Pomykal, PFC Chair  
David Ellis, HFC President