

2024 Capital Bond Program

Economic Development, Housing & Homeless Solutions Subcommittee Recommendations



City of Dallas

September 19, 2023

Bond Funding - Guiding Principals



- The following slides assume that the Bond allocation for Economic Development, Housing & Homeless Solutions is \$275,000,000.00
- Initiative selection is based on the technical criteria, community input and national best practices
- The three departments will work together along with other city departments, to align, leverage and maximize bond investments to create maximum impact.
- Prioritization of each initiative including the lower AMI groups is to ensure equity and the purpose of the funding goes to its intended use
- 40% of funds used for rental activities must prioritize households 50% AMI or below
- Homeownership development should prioritize missing middle housing including townhomes, duplexes, and condos aligned with Dallas' comprehensive land use plan, *forwardDallas!*
- All bond-funded projects in Economic Development, Housing, and Homeless Solutions *must undergo third party underwriting to determine project feasibility, developer capacity, and financial need.*



Bond Funding (continued)



Guiding Principals

- OHS projects address the following policy guideless established by the Dallas City Council:
 - The OHS Four-Track Strategy
 - City Council directive that homeless services be located in all Council districts
 - The City's Racial Equity Plan



Economic Development, Housing & Homeless Solutions



| Department | Programs/Initiatives | Budget | Total |
|---------------------------------------|---|--------|--------|
| Economic Development | Catalytic Development Area #3 UNT-D area | \$20M | \$40M |
| | Catalytic Development Area #4 Pleasant Grove | \$10M | |
| | Target Areas (per Economic Development Incentive Policy) | \$10M | |
| Housing & Neighborhood Revitalization | Homeownership Development | \$80M | \$200M |
| | Affordable Housing Rental Preservation | \$40M | |
| | Affordable Housing Homeownership Preservation | \$10M | |
| | Target Area Investment | \$70M | |
| Homeless Solutions | Capital investment in The Bridge Homeless Recovery Center | \$6M | \$35M |
| | Permanent Supportive Housing (PSH) | \$29M | |
| | | | \$275M |



Economic Development Recommendation



Catalytic Development Area: UNT Dallas area

| CATALYTIC DEVELOPMENT AREA – UNT DALLAS area | |
|--|--|
| Use of Funds: | General Economic Development |
| Funding Mechanisms: | Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc. |
| Policy Priorities: | Stimulate investment and development on 1,800 undeveloped acres surrounding UNT Dallas campus and DART station; area lacks basic infrastructure and faces an unproven real estate market |
| Prioritization: | All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review |
| 50% of ECO bond allocation = \$20M | |



Economic Development Recommendation



Catalytic Development Area: Pleasant Grove

| CATALYTIC DEVELOPMENT AREA – PLEASANT GROVE | |
|---|--|
| Use of Funds: | General Economic Development |
| Funding Mechanisms: | Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc. |
| Policy Priorities: | Stimulate investment and development of City-owned land in an area of historic disinvestment (9500 Bruton; 200-300 block St. Augustine; and possibly 7525 Scyene (former Tri-City Hospital)) |
| Prioritization: | All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review |
| 25% of ECO bond allocation = \$10M | |



Economic Development Recommendation



TARGET AREAS (per Economic Development Incentive Policy)

| TARGET AREAS (per Economic Development Incentive Policy) | |
|--|---|
| Use of Funds: | General Economic Development |
| Funding Mechanisms: | Incentives to private developers/businesses (through agreements) Direct City investments in land acquisition, infrastructure, etc. |
| Policy Priorities: | Texas Enterprise Zones; census block groups with greater than 20% poverty rate; stimulate investment in southern Dallas and other areas of historic disinvestment |
| Prioritization: | All third-party projects must submit a complete application to the Office of Economic Development and undergo underwriting or fiscal impact review |
| 25% of ECO bond allocation = \$10M | |



Homeless Solutions Recommendation



The Bridge Homeless Recovery Center Initiative

| The Bridge HRC | |
|------------------------------------|---------------------------------------|
| Use of Funds: | Major equipment and campus renovation |
| 17%: of OHS bond allocation = \$6M | |



Homeless Solutions Recommendation



Permanent Supportive Housing Initiative

| PERMANENT SUPPORTIVE HOUSING | |
|-------------------------------------|---|
| Use of Funds: | PSH Units |
| Funding Mechanisms: | Direct Subsidies to Developers City Investments in DHFC, DPFC, DHOF |
| Policy Priorities: | Provide housing coupled with intensive services for formerly unsheltered residents |
| Prioritization: | Seed money for additional permanent supportive housing units that will be developed in partnership with the local continuum of care, provider organizations and community partners, in line with existing OHS practices |
| 83%: of OHS bond allocation = \$29M | |



OHS Needs Inventory



| Needs ID | Project ID | Name | Program | Project Type | Category | Description | Council | Estimate | EIA Score |
|----------|------------|-------------------------------------|--------------------------------|----------------|--------------------------------|---|----------|--------------|-----------|
| 48868 | MUL060113 | Permanent Supportive Housing | Homeless Assistance Facilities | Rehabilitation | Homeless Assistance Facilities | Partnerships with current and new providers to add permanent supportive housing | Citywide | \$29,047,000 | 10 |
| 48866 | MUL060111 | The Bridge HRC – 1818 Corsicana St. | Homeless Assistance Facilities | Rehabilitation | Homeless Assistance Facilities | New/Replacement equipment (generator and upgrade HVAC automation controls) | Citywide | \$1,593,000 | 10 |
| 48867 | MUL060112 | The Bridge HRC – 1818 Corsicana St. | Homeless Assistance Facilities | Rehabilitation | Homeless Assistance Facilities | Weatherization and renovation of The Bridge | Citywide | \$4,360,000 | 10 |



Housing Recommendation



Homeownership Development Initiative

| HOMEOWNERSHIP DEVELOPMENT INITIATIVE Serving households earning up to 120% Area Median Income | |
|---|--|
| Use of Funds: | Infrastructure and Pre-Development Improvements that support homeownership development |
| Funding Mechanisms: | Direct subsidies to developers City investments in Dallas Housing Finance Corporation (DHFC) for land acquisition and development City investments in Dallas Public Facility Corporation (DPFC) City investments in Dallas Housing Opportunity Fund (DHOFF) External Partnerships with DART, DHA, and DISD |
| Policy Priorities: | Developing Mixed-income communities, building density, expanding the property tax base, serving single income households and missing middle-income housing |
| Prioritization: | Activities should prioritize development of missing middle housing types such as townhomes, duplexes, and condos. Acquiring land for affordable housing development |



Housing Recommendation



Affordable Rental Housing Preservation Initiative

| AFFORDABLE RENTAL HOUSING PRESERVATION INITIATIVE Serving households earning 0-60% Area Median Income | |
|---|--|
| Use of Funds: | Rehabilitation / Acquisition of rental housing units |
| Funding Mechanisms: | Direct subsidies to developers City investments in DHFC, DPFC, DHOF |
| Policy Priorities: | Stabilizing Neighborhoods; Anti-displacement |
| Prioritization: | 40% of bonds funds used must serve households at 50% AMI or below |
| 20%: of HOU bond allocation = \$40M | |



Housing Recommendation



Affordable Homeowner Housing Preservation Initiative

| AFFORDABLE HOMEOWNER HOUSING PRESERVATION INITIATIVE Serving households earning 0-60% Area Median Income | |
|--|--|
| Use of Funds: | Rehabilitation of homeownership units |
| Funding Mechanisms: | Direct subsidies to developers City investments in DHFC, DPFC, DHOF |
| Policy Priorities: | Stabilizing Neighborhoods; Anti-displacement |
| 5%: of HOU bond allocation = \$10M | |



Housing Recommendation



Target Area Investment Initiative

| TARGET AREA INVESTMENT INITIATIVE Serving households earning 0-120% Area Median Income | |
|--|--|
| Use of Funds: | Leveraging private investments in mixed-income, mixed-use developments in high opportunity areas, including \$20M for International District |
| Funding Mechanisms: | Direct subsidies to developers City investments in DHFC, DPFC, DHOE, land acquisition, infrastructure, etc. |
| Policy Priorities: | Develop mixed-income communities, build density, expand tax base, building living wages, investing in neighborhood revitalization, developing and preserving affordable housing |
| Prioritization: | 40% of bonds funds used must serve households at 50% AMI or below. All third-projects must submit a complete office of economic development application and undergo underwriting review to determine the source in terms of award. The International District may use up 10% of this initiative or \$2,000,000 |
| 35%: of HOU bond allocation = \$70M | |



Additional Recommendations



- **Authorize Broad Proposition Language** – The three (3) bond propositions should broadly describe the expenditures for which voter approval is sought.
- **Approve a “Contract with Voters”** – When the Council authorizes the bond election, the City Council should also adopt a resolution that outlines the specific activities and projects associated with each bond proposition. This resolution should clearly outline the City Council’s policy priorities related to the expenditure of bond funding, including specific expenditure categories (i.e., homeownership, rental, target areas), targeted income bands that will be served in bond-funded projects, and underwriting requirements for all projects.
- **Create a Bond Oversight Taskforce** – Mayor Johnson should consider creating a Bond Oversight Taskforce composed of local volunteers that is advisory in nature. The Taskforce would be responsible for monitoring implementation of the 2024 Bond Program through review of proposed projects and expenditures. The Mayor should also consider assigning bond oversight to one City Council Committee. The increased transparency related to Taskforce and Council Committee monitoring of the bond program will help Dallas ensure that bond funds are spent in a timely manner on projects that will have a positive impact on the property tax base.



Economic Development, Housing & Homeless Solutions



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