

ECONOMIC DEVELOPMENT & HOUSING COMMITTEE
DALLAS CITY COUNCIL COMMITTEE AGENDA

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CITY SECRETARY
DALLAS, TEXAS

MONDAY, MAY 21, 2018
CITY HALL
COUNCIL BRIEFING ROOM, 6ES
1500 MARILLA STREET
DALLAS, TEXAS 75201
9:00 A.M.–10:30 A.M.

Chair, Councilmember Tennell Atkins
Vice Chair, Councilmember Rickey D. Callahan
Councilmember Lee M. Kleinman
Councilmember Scott Griggs
Councilmember Casey Thomas, II
Councilmember B. Adam McGough
Councilmember Mark Clayton
Councilmember Kevin Felder
Councilmember Omar Narvaez

Call to Order

1. Approval of May 7, 2018 Minutes

BRIEFINGS

- | | |
|---|---|
| 2. City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget | Jack Ireland, Director
Office of Budget |
| 3. Briefing on the City of Dallas Housing Finance Corporation (DHFC) Articles of Incorporation & Bylaws | Avis F. Chaisson, Assistant Director
Housing & Neighborhood Revitalization |
| 4. Economic Development Strategic Plan | Courtney Pogue, Director
Office of Economic Development |
| 5. Executive Session on Project Apollo | Courtney Pogue, Director
Office of Economic Development |


Adjourn

Tennell Atkins, Chair
Economic Development & Housing Committee

Public Notice

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POSTED CITY SECRETARY
DALLAS, TX

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

HANDGUN PROHIBITION NOTICE FOR MEETING OF GOVERNMENTAL ENTITIES

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

Economic Development & Housing Committee

Meeting Record May 7, 2018

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

Meeting Date: May 7, 2018

Meeting Start time: 9: 04A.M.

<p>Committee Members Present: Councilmember Tennell Atkins (Chair) Councilmember Rickey D. Callahan (Vice-Chair) Councilmember Casey Thomas, II Councilmember Lee M. Kleinman Councilmember Scott Griggs Councilmember B. Adam McGough Councilmember Mark Clayton Councilmember Kevin Felder Councilmember Omar Narvaez</p> <p><u>Other Council Members Present:</u></p> <p><u>Committee Members Absent</u></p>	<p>Staff Present: Raquel Favela, Chief of Economic Development & Neighborhood Services David Noguera, Director of Housing & Neighborhood Revitalization Avis F. Chaisson, Assistant Director of Housing & Neighborhood Revitalization Courtney Pogue, Director of Economic Development David Cossum, Director of Sustainable Development & Construction Neva Dean, Assistant Director of Sustainable Development</p> <p><u>Other Presenters:</u></p>
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AGENDA:

Housing Committee Meeting Called to Order by CM Tennell Atkins

1. **Approval of April 16, 2018 Economic Development/Housing Committee Minutes**
Presenter(s): CM Tennell Atkins

Action Taken/Committee Recommendation(s): Motion made to approve the minutes.

Motion made by: CM Scott Griggs	Motion second by: CM Mark Clayton
Item passed unanimously: <input checked="" type="checkbox"/>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

2. **Housing Development Contract Amendments to Extend Project Completion Dates and Include Additional Performance Thresholds and Requirements**
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
David Noguera, Director of Housing & Neighborhood Revitalization
Avis Chaisson, Assistant Director of Housing & Neighborhood Revitalization
 - a. **Citywide Community Development Corporation Agreement for Single Family Homes – Runyon Springs Project**
 - b. **East Dallas Community Organization (EDCO) Agreement for Single Family Homes – Scattered Sites in the Jubilee and Dolphin Heights Neighborhoods**
 - c. **Greenleaf Ventures, LLC Agreement for Infrastructure Development for Single Family Homes – Located in East Dallas on Chariot Drive**

- d. Greenleaf Ventures, LLC Agreement for Infrastructure Development for Single Family Homes – Located in West Dallas on Singleton Boulevard
- e. Greenleaf Ventures, LLC Agreement for Infrastructure Development for Single Family Homes – Located on North Prairie Creek Road
- f. KAH Holdings dba Karrington & Company Agreement for Single Family Homes – Ferguson Townhomes Project (Proposed Amendment may also include Funding Increase)
- g. St. Jude, Inc. Agreement for Permanent Supportive Housing Project – Located at 2920 Forest Lane (Proposed Amendment will also include Change in Repayment Terms and Possible Funding Increase)

Information Only: __

Action Taken/Committee Recommendation(s): Motion made to move forward to full Council items B, C, D and E with staff recommendations.

Motion made by: CM Scott Griggs	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. **Deep Ellum and Prestonwood Public Improvement District Update & Renewal**
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
 Courtney Pogue, Director of Office of Economic Development

Information Only: __

Action Taken/Committee Recommendation (s)

Motion made by: CM Casey Thomas, II	Motion seconded by: CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. **Historic Preservation Tax Exemption for Knights of Pythias/Union Bankers Building**
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
 David Cossum, Director of Sustainable Development & Construction
 Neva Dean, Interim Assistant Director of Sustainable Development & Construction

Information Only: __

Action Taken/Committee Recommendation (s) First motion made by CM Kleinman and seconded by CM Felder to have item reviewed by the Government Performance & Financial Management Committee; Motion failed. Second motion was made to move forward per staff recommendations.

Motion made by: CM Scott Griggs	Motion seconded by: CM Rickey D. Callahan
Item passed unanimously _____	Item passed on a divided vote: <u>X</u>
	Opposed by: CM Kleinman and CM Felder
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

5. Accessory Dwelling Units

Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services
David Cossum, Director of Sustainable Development & Construction
Neva Dean, Interim Assistant Director of Sustainable Development & Construction

Information Only: __

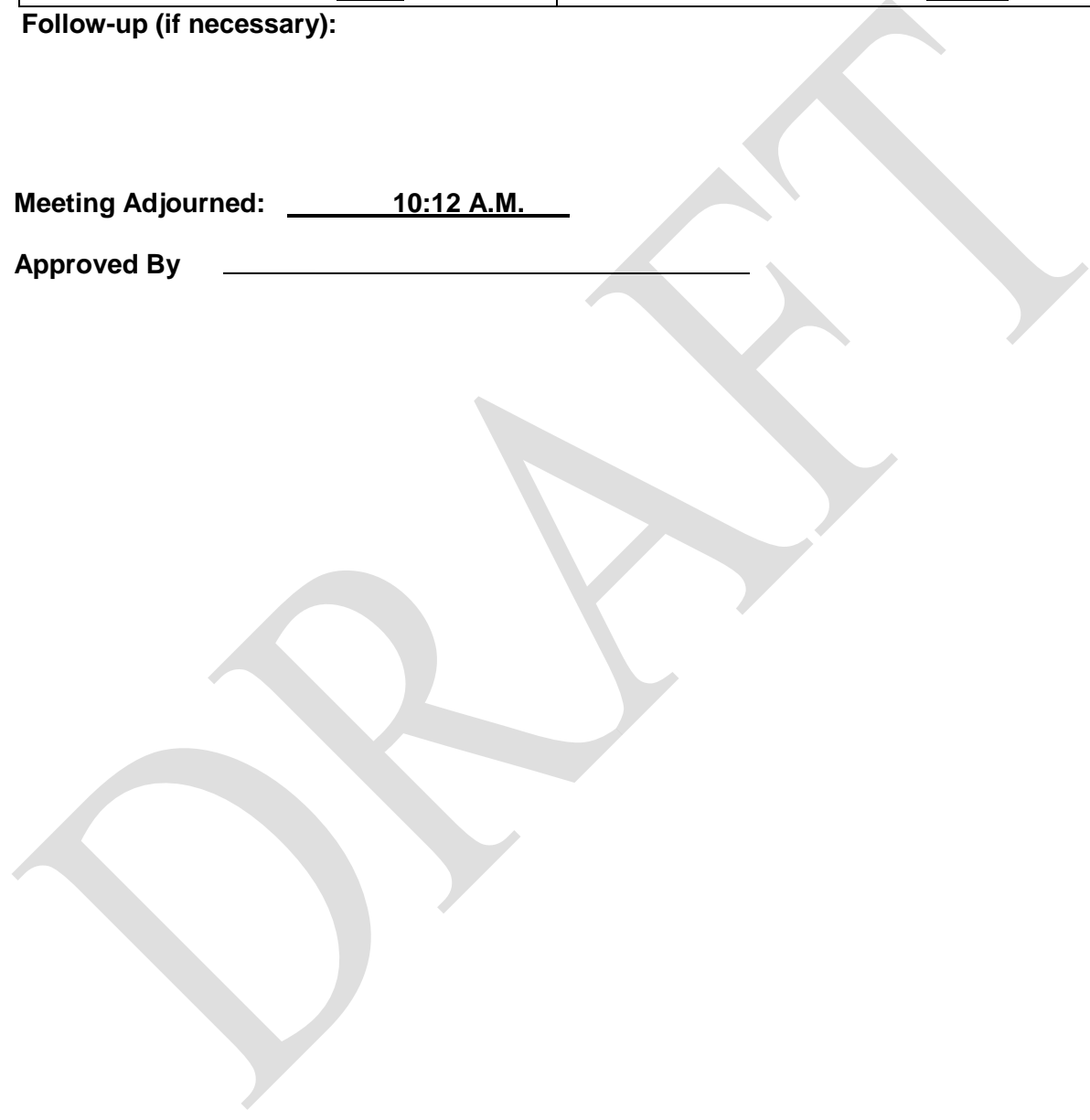
Action Taken/Committee Recommendation (s)

Motion made by: CM Scott Griggs	Motion seconded by: CM Omar Narvaez
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

Meeting Adjourned: 10:12 A.M.

Approved By _____



Memorandum



CITY OF DALLAS

DATE May 18, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget**

On May 21, 2018, the Office of Budget will brief the Economic Development & Housing, Human & Social Needs, and Government Performance & Financial Management Committees on the City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget. I have attached the briefing for your review.

Please let me know if you need additional information.

M. Elizabeth Reich

M. Elizabeth Reich
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget

**City Council Committee
May 21, 2018**

**Elizabeth Reich
Chief Financial Officer**

**Chan Williams, Assistant Director
Office of Budget**



Purpose

- Recap Consolidated Plan services provided during FY 2016-17
- Present City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget
- Review recommendations from Community Development Commission
- Discuss next steps



Consolidated Plan

- Comprehensive analysis and strategic plan that identifies community needs, prioritizes those needs, and details how they will be addressed
- City's needs include:
 - Housing
 - Homelessness
 - Economic Development
 - Human and Social Services
 - Public Improvements/Infrastructure



Consolidated Plan

- Covers 5-year planning period
 - Current 5-year plan covers FY 2013-14 through FY 2017-18 (September 30, 2018)
- HUD granted one-year extension to current 5-year plan to allow additional time for new fair housing requirements to be incorporated into next 5-year plan
 - Current plan extended through FY 2018-19 (September 30, 2019)

Background

- Consolidated Plan program consists of 4 grants received annually from U.S. Department of Housing and Urban Development (HUD)
 - Community Development Block Grant (CDBG)
 - HOME Investment Partnerships Program (HOME)
 - Emergency Solutions Grant (ESG)
 - Housing Opportunities for Persons with AIDS (HOPWA)



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FY 2016-17 Consolidated Plan Programs

- Community Development Block Grant (CDBG)
 - Develops viable urban communities by providing decent housing and a suitable living environment, and by expansion of economic opportunities
 - 3,042 youth served through Afterschool and Child Care Programs
 - 4,680 seniors served through City's Office of Senior Affairs and Senior Services Program
 - 874 residents received services, including case management and rehabilitation services through Community Courts
 - 390+ households assisted with repairs and new homeownership

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FY 2016-17 Consolidated Plan Programs

- HOME Investment Partnerships (HOME)
 - Provides, develops, supports, produces, and expands supply of decent and affordable housing
 - Ensures fair housing opportunities to citizens of Dallas regardless of race, color, religion, national origin, disability, familial status, or sexual orientation
 - 275+ housing units created and/or rehabilitated
 - 120 new first-time homebuyers

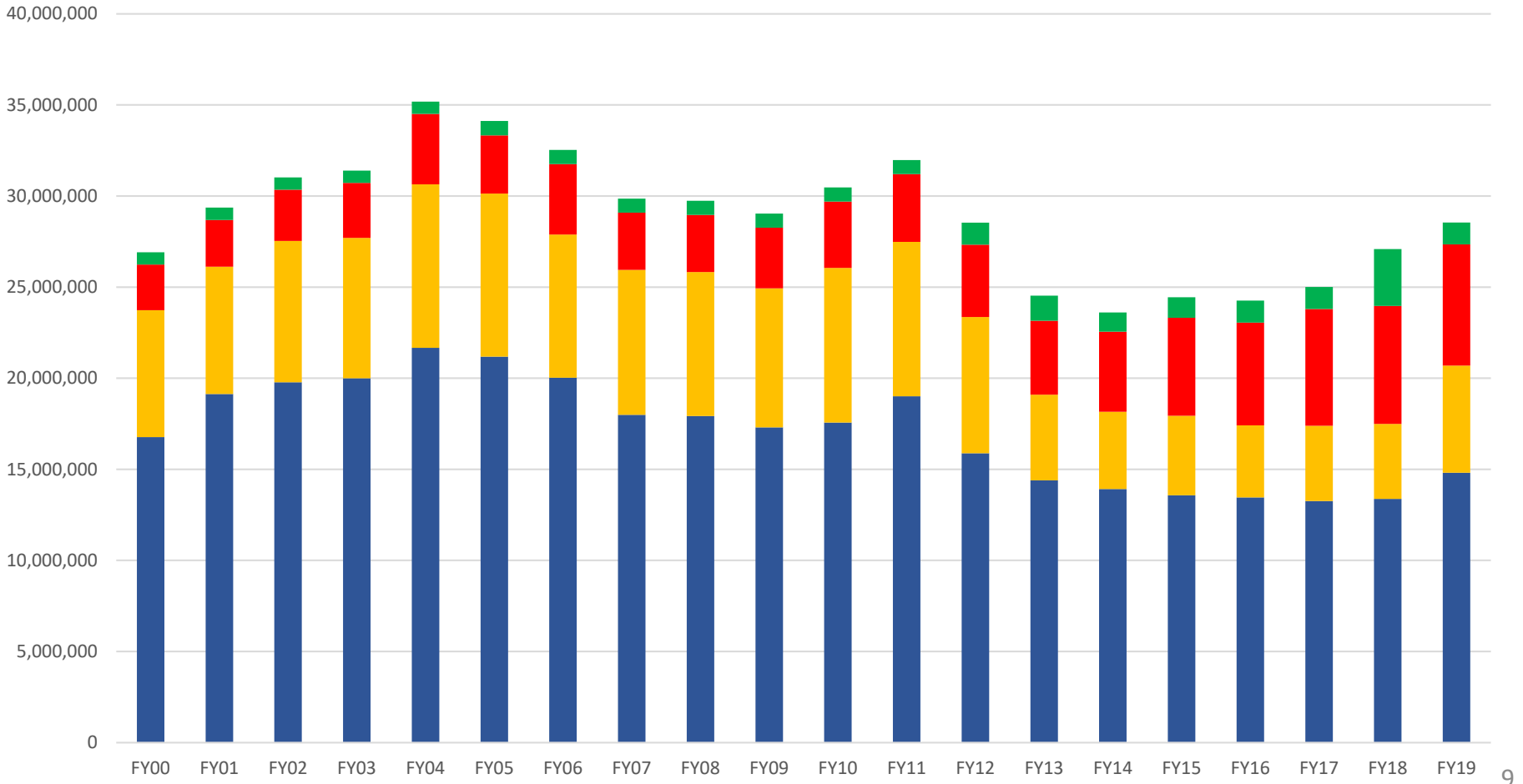


FY 2016-17 Consolidated Plan Programs

- Emergency Solutions Grant (ESG)
 - Prevents homelessness and assists those already homeless
 - 4,680 individuals and families served
- Housing Opportunities for Persons with AIDS (HOPWA)
 - Provides housing and/or supportive services to individuals with AIDS, persons who are HIV positive, and their families
 - 1,036 individuals and families served

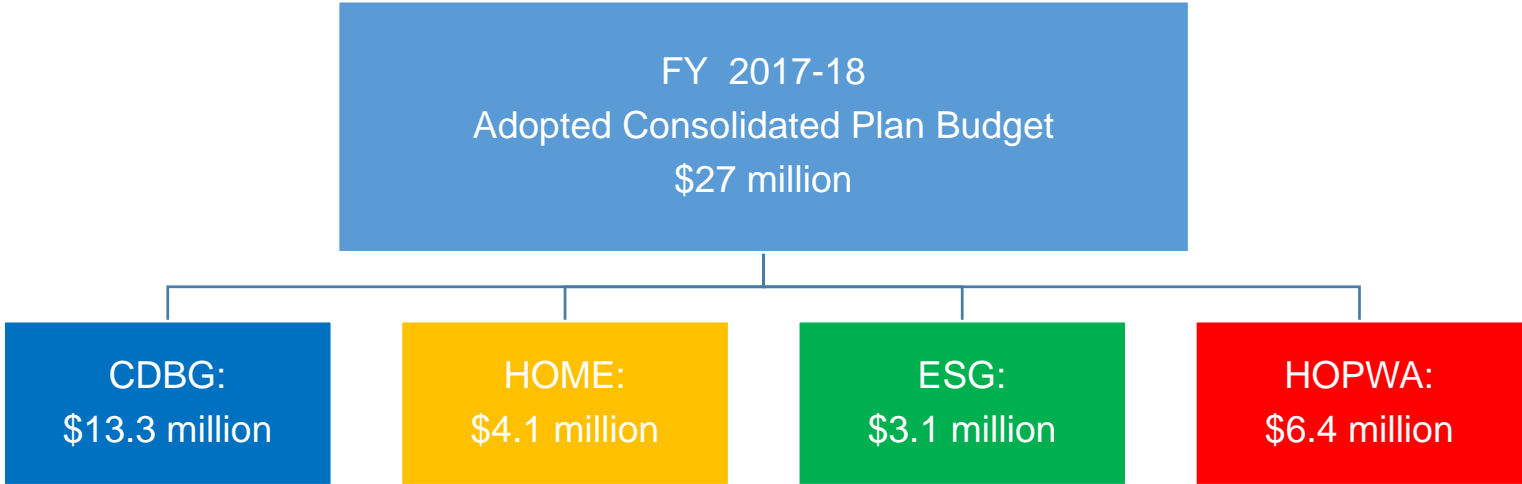
Funding History

■ CDBG ■ HOME ■ HOPWA ■ ESG

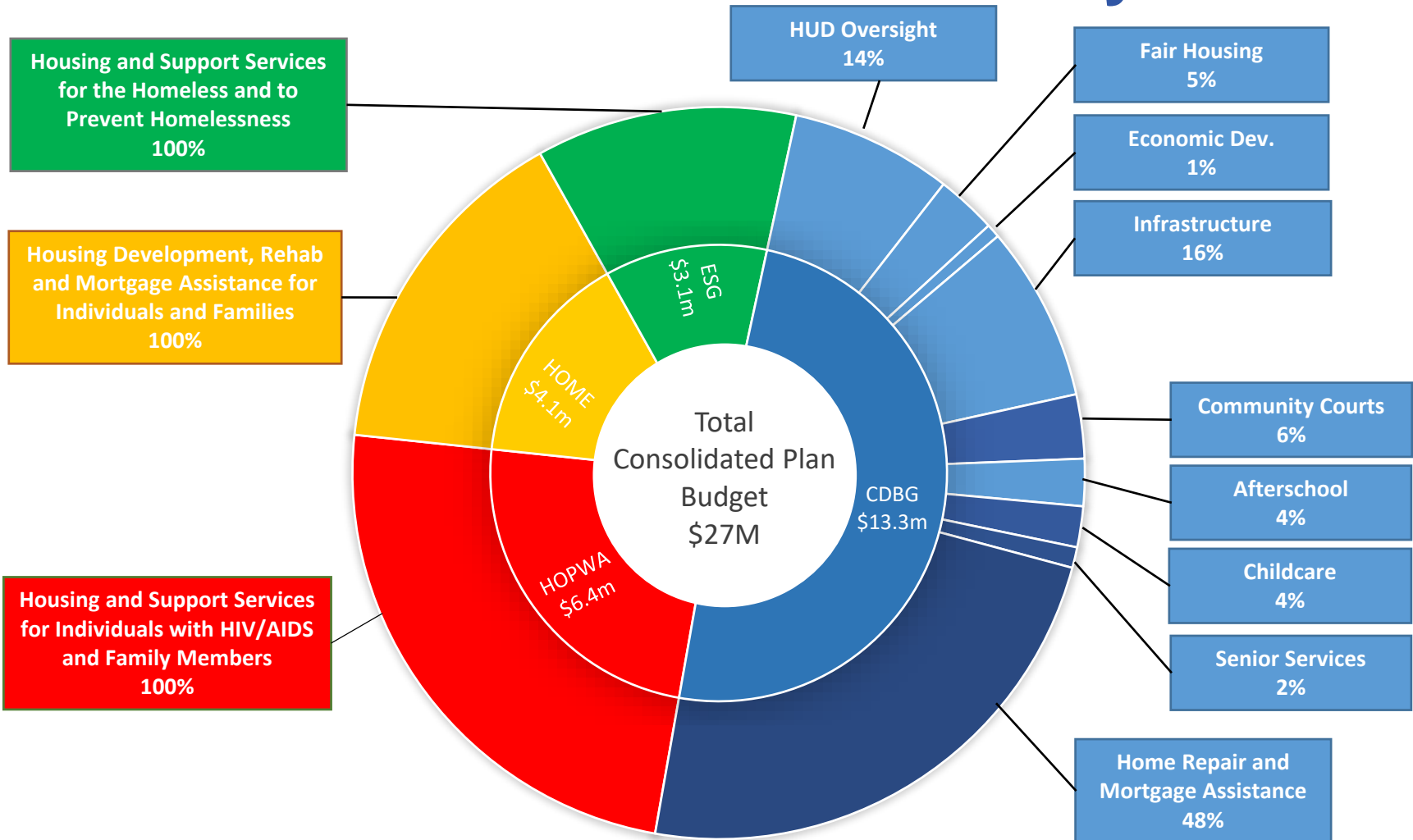


FY 2017-18 Consolidated Plan Funds

- Approximately \$27m received from HUD for FY 2017-18 Consolidated Plan Budget



FY 2017-18 Consolidated Plan by Service



FY 2018-19 Consolidated Plan

- HUD provided final grant allocation amounts for FY 2018-19 on May 1, 2018
 - Approximately \$28.5m
- FY 2018-19 allocations from HUD are about \$1.5m more than FY 2017-18
 - CDBG - \$14,810,163
 - HOME - \$5,886,901
 - ESG - \$1,203,874
 - HOPWA - \$6,645,116

Budget Considerations

- Consistent with 5-year Consolidated Plan
- Consider increased service level needs
- Comply with HUD guidelines in CDBG capped categories
 - CDBG Public Services 15%
 - CDBG Program Oversight 20%
- Adhere to HUD and City's timely expenditure policies



Budget Considerations

- Continue to meet HUD monitoring and reporting requirements
- Ensure housing programs affirmatively further fair housing
- Be consistent with Poverty Task Force recommendations to address drivers of poverty
- Be consistent with City's new Housing Policy
- Consider input from community stakeholders
 - Continuum of Care, Ryan White Planning Council of Dallas, etc.

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FY 2018-19 Proposed Budget

Source of Funds (Entitlement)	FY 2017-18 Budget	FY 2018-19 Proposed	Variance
CDBG (grant)	\$13,373,031	\$14,810,163	\$1,437,132
HOME (grant)	4,123,371	5,886,901	1,763,530
ESG (grant)	3,117,540	1,203,874	(1,913,666)
HOPWA (grant)	6,470,345	6,645,116	174,771
Sub-Total HUD Grant Funds	\$27,084,287	\$28,546,054	\$1,461,767

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FY 2018-19 Additional Funds

Source of Funds (Non-Entitlement)	FY 2017-18 Budget	FY 2018-19 Proposed	Variance
CDBG Program Income – Housing Activities (includes one-time funds)	\$ 500,000	\$ 1,250,000	\$750,000
CDBG Program Income – Retained by Sub-Recipient (PeopleFund)	165,000	225,000	60,000
CDBG Reprogramming*	0	3,323,870	3,323,870
HOME Program Income (Housing & Neighborhood Revitalization)	1,500,000	1,000,000	(500,000)
Sub-Total Non-Entitlement Funds	\$2,165,000	\$5,798,870	\$3,633,870
Grand Total All Sources	\$29,249,287	\$34,344,924	\$5,095,637

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*Note: \$1.4m CDBG Reprogramming Funds approved on April 12, 2017 and added in FY 2016-17 to expedite services rather than waiting until FY 2017-18.

FY 2018-19 Use of Funds

Use of Funds	FY 2017-18 Budget	FY 2018-19 Proposed	Variance
Public Services (CDBG)	\$ 2,065,115	\$ 2,258,979	\$193,864
Housing Activities (CDBG)	7,058,748	10,867,677	3,808,929
Economic Development (CDBG Revolving Loan Program)	165,000	225,000	60,000
Facilities and Improvements (CDBG)	2,097,504	3,419,373	1,321,869
Fair Housing and Program Oversight (CDBG)	2,651,664	2,838,005	186,341
HOME Activities	5,623,371	6,886,901	1,263,530
ESG Activities	3,117,540	1,203,874	(1,913,666)
HOPWA Activities	6,470,345	6,645,116	174,771
Total	\$29,249,287	\$34,344,924	\$5,095,637

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CDBG - Public Services Highlights & Changes

- HUD regulations limit funding for Public Services to 15% of entitlement and program income
 - Increase funding to cover full year operating costs for After-School/Summer Program and Senior Programs
 - Level funding for Child Care Services
 - Proposed reduction in Community Courts related to cost sharing for manager salary
 - New line added for funding opportunities with community partners to address poverty due to increase in grant funding

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CDBG - Housing Highlights & Changes

- Increased funding for programs due to increase in grant funds and reprogramming funds
- Program allocations consistent with priorities identified in the new Housing Policy
- Funding increased for Dallas Homebuyer Assistance Program



CDBG - Housing

Highlights & Changes - continued

- Home repair and rehabilitation program expanded to now include single family rental properties consisting of up to four units
- Level funding recommended for operating costs which may include reallocation of staff and resources as new policies are implemented

CDBG - Economic Development Highlights & Changes

- Continue use of revolving loan funds for Business Loan Program
 - Additional funds available for FY 2018-19 due to slight increase expected in accounts receivable as a result of new loans added to portfolio



CDBG - Public Improvements Highlights & Changes

- Increased funding recommended for public facilities and improvements
 - Funds may be used for all eligible projects throughout the city



CDBG - Fair Housing and Program Oversight Highlights & Changes

- HUD regulations limit funding for Fair Housing, Planning, and Program Oversight activities to 20% of entitlement
- Increased funding to cover full year operating costs
 - Fair Housing
 - Program oversight, citizen participation, community engagement, and reporting
 - Administration and management of housing and human and social needs programs

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HOME

Highlights & Changes

- CHDO Development Assistance funding requirements above 15% minimum and CHDO; Operating Assistance below 5% maximum of entitlement (HOME regulations)
- Funded programs provide for quality affordable housing and homeownership opportunities
- Program allocations based on new Housing Policy



HOME

Highlights & Changes

- Increased funding for programs due to increase in grant funds CHDO Development Loans
 - No new funding recommended for Operating Assistance budget due to prior year funds available
- Housing Development Loan Program
 - Single family units separated from multi-family units for tracking and reporting purposes

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ESG

Highlights & Changes

- Continue funding for existing emergency shelter and homelessness prevention activities, rapid re-housing, to help people quickly regain stability in permanent housing, and program administration
- Funding allocations made in consultation with CoC and established priorities as recommended at January 23, 2018 monthly CoC meeting
- Reduced funding in shelter operations and rapid-rehousing programs due to elimination of FY 2017-18 one-time funding

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ESG Highlights & Changes

Eligible Activities	Eligible Clients	
	Those who are Homeless	Those who are at-risk of Homelessness
1. Street Outreach*	X	
2. Emergency Shelter*	X	
3. Homelessness Prevention		X
4. Rapid Re-Housing	X	
5. Homeless Management Information System (HMIS)	X	X
6. Administration (7.5% of grant)	N/A	N/A

* Note: Combined total of Activities 1 and 2 can not exceed 60% of total grant allocation

HOPWA

Highlights & Changes

- Funding allocations made consistent with priorities established by Ryan White Planning Council of the Dallas Area (RWPC) and with needs identified in the RWPC 2016 Comprehensive HIV Needs Assessment
- Program services consolidated and reorganized to maximize resources and streamline HUD reporting
 - Facility Based Housing was formerly Housing Facilities Operations and merged with Supportive Services
- No new funding for Housing Facilities Rehab/Repair/Acquisition due to prior year funding available

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Community Development Commission (CDC) Deliberations

- On April 5, City Manager's recommended budget for FY 2018-19 was presented to CDC
 - Proposal included estimated amounts for grants since HUD was not scheduled to release final allocations until May
 - Proposal did not include program specific recommendations for housing programs pending approval of Housing Policy by City Council
- CDC held committee meetings in April
 - Four committees met with staff from various departments to review each recommendation and to address program questions

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CDC Deliberations

- On May 3, CDC received final grant allocation amounts that had been received from HUD on May 1
- On May 3, CDC approved their FY 2018-19 budget which concurred with City Manager's proposal
 - All components of the budget were approved except CDBG housing activities and HOME grant since those categories were still awaiting City Council approval of the Housing Policy

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CDC Deliberations

- Members of CDC's Economic Development, Housing and HOME Committee actively participated throughout development process of new comprehensive Housing Policy
 - Housing Policy was approved by City Council on May 9
- On May 14, CDC held a special called meeting to review and discuss City Manager's proposal for housing programs
 - Committee concurred with City Manager's proposal with no changes

CDC Recommendation

- On May 15 at special called CDC meeting, commission concurred with committee's recommendation
- While no changes were recommended to City Manager's proposed FY 2018-19 budget, the CDC encouraged:
 - New allocation of \$193,357 in CDBG public services category be used to address identified drivers of poverty by supporting the provision of services to address human and social needs
 - Community partners be engaged in this new funding opportunity

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Next Steps

- May 23 - Preliminary adoption of FY 2018-19 HUD Consolidated Plan Budget and call a public hearing
- May 24 - Begin 30 day public review
- May 30 - Council amendments due
- June 6 - Discuss proposed Council amendments and conduct straw votes
- June 13 - Hold public hearing before City Council
- June 27 - Final adoption of FY 2018-19 HUD Consolidated Plan Budget
- August 15 - Submit FY 2018-19 Action Plan to HUD
- October 1 - Implement plan

City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget

**City Council Committee Briefing
May 21, 2018**

**Elizabeth Reich
Chief Financial Officer**

**Chan Williams, Assistant Director
Office of Budget**



Attachment A

- City Manager's Proposed FY 2018-19 HUD Consolidated Plan Budget
 - *Line-by-line budget detail*



**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>SOURCE OF FUNDS</u>			
Community Development Block Grant			
Entitlement (grant)	13,373,031	14,810,163	
Program Income - Housing Activities (includes one-time funds)	500,000	1,250,000	
Program Income - Sub-Recipient Retained	165,000	225,000	
Reprogramming *	0	3,323,870	
	<hr/> 14,038,031	<hr/> 19,609,033	0
Home Investment Partnership			
Entitlement (grant)	4,123,371	5,886,901	
Program Income - Housing Activities	1,500,000	1,000,000	
	<hr/> 5,623,371	<hr/> 6,886,901	0
Emergency Solutions Grant			
Entitlement (grant) **	3,117,540	1,203,874	0
Housing Opportunities for Persons with AIDS			
Entitlement (grant)	6,470,345	6,645,116	
TOTAL SOURCE OF FUNDS	<hr/> 29,249,287	<hr/> 34,344,924	0
<p>*\$1.4m CDBG Reprogramming Funds approved on April 12, 2017, and added in FY17 to expedite services rather than waiting until FY18. **FY 2018-19 amount does not include 1.9m one-time FY 2017-18 funding.</p>			
<u>USE OF FUNDS</u>			
Community Development Block Grant			
Public Services (15% of CDBG maximum amount allowed)	2,065,115	2,258,979	7,944,322
Housing Activities	7,058,748	10,867,677	2,350,901
Economic Development Activities	165,000	225,000	0
Public Improvements	2,097,504	3,419,373	0
Fair Housing and Program Oversight (20% of CDBG max amount allowed)	2,651,664	2,838,005	0
	<hr/> 14,038,031	<hr/> 19,609,033	<hr/> 10,295,223
HOME Investment Partnerships Program			
HOME Programs	5,623,371	6,886,901	0
Emergency Solutions Grant			
ESG Programs	3,117,540	1,203,874	15,590,920
Housing Opportunities for Persons with AIDS			
HOPWA Programs	6,470,345	6,645,116	0
TOTAL USE OF FUNDS	<hr/> 29,249,287	<hr/> 34,344,924	<hr/> 25,886,143

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)</u>			
<u>CDBG - Public Services</u>			
CD01 After-School/Summer Program - Provide after school and summer programs for low income youth Monday thru Friday through structured recreational, cultural, social and life skills activities. 24 CDBG funded sites. FY 2018-19: estimated 2,800 children to be served. Additional resources: General Fund Youth Programs in PKR, DPD and Library.	563,515	589,708	5,710,730
CD02 Child Care Services Program - Provide various programs for children and youth, including after school programs; daycare for special needs children, children who are homeless, and children with disabilities via contracts with non-profit agencies. Funds are also used to provide child care subsidies for low and moderate income working parents and teenage parents who are attending school and do not qualify for any other form of public assistance. FY 2018-19: estimated 350 children to be served. Additional resources: One-time prior year funds from Private Grant	488,826	488,826	150,000
Youth Programs Sub-Total	1,052,341	1,078,534	5,860,730
CD03 Senior Services Program - Enhance the quality of life for older adults by disseminating support services information and providing direct and emergency support services. FY 2018-19: estimated 4,733 individuals to be served. Additional resources: General Fund	247,349	273,962	733,867
Senior Services Sub-Total	247,349	273,962	733,867
CD04 Community Court Program - Through the community court, offenses to persons and code violations of property are swiftly adjudicated and restitution made by defendants who plead guilty or no contest. FY 2018-19: estimated 2,300 clients to be served. Additional resources: General Fund and Federal Grants	765,425	713,126	1,349,725
• South Dallas / Fair Park Community Court	318,738	247,413	0
• South Oak Cliff Community Court	228,370	243,857	0
• West Dallas Community Court	218,317	221,856	0
Other Public Services (Non-Youth) Sub-Total	765,425	713,126	1,349,725
CD05 Contract(s) with nonprofit agencies - Services to address human and social needs. (Request for competitive sealed proposals)	0	193,357	0
Total CDBG - Public Services	2,065,115	2,258,979	7,944,322
CDBG - Public Services 15% Cap	2,065,115	2,258,979	
Under/(Over) Cap	0	0	
CDBG - Public Services Cap Percentage	15.0%	15.0%	

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>CDBG - Housing Activities</u>			
CD06 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and closing cost assistance. FY 2018-19: estimated 47 households to be served at an avg cost of \$75K.	859,663	2,500,000	0
Homeownership Opportunities Sub-Total	859,663	2,500,000	0
CD07 Home Improvement and Preservation/SF Program (HIPP) - Provide an all-inclusive repair and rehabilitation for single-family, owner-occupied housing units. FY 2018-19: estimated 109 households to be served at an avg cost of \$75k. Additional resources: General Fund and Code Compliance	4,427,741	4,617,433	2,350,901
CD08 Home Improvement and Preservation/MF Program (HIPP) - Provide an all-inclusive repair and rehabilitation for Landlord/rental single-family housing units (1-4 units). Landlord must have income eligible tenants. FY 2018-19: estimated 47 households to be served at an avg cost of \$75k.	0	1,978,900	
CD09 Support for Home Improvement and Preservation Program (HIPP) - Provide direct service delivery staff to implement the Home Repair Program.	1,771,344	1,771,344	0
Homeowner Repair Sub-Total	6,199,085	8,367,677	2,350,901
Total CDBG - Housing Activities	7,058,748	10,867,677	2,350,901
<u>CDBG - Economic Development</u>			
CD10 Business Loan Program (Program Income) - Subrecipient retains program income generated from revolving business loan program to provide additional loans.	165,000	225,000	0
Total CDBG - Economic Development	165,000	225,000	0
<u>CDBG - Public Improvements</u>			
CD11 Public Facilities and Improvements - Provide improvements to public facilities and infrastructure within eligible areas.	2,097,504	3,419,373	0
Public Improvement Sub-Total	2,097,504	3,419,373	
Total CDBG - Public Improvement	2,097,504	3,419,373	0

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>CDBG - Fair Housing and Planning & Program Oversight</u>			
CD12 Fair Housing Enforcement - Provide housing discrimination investigations, fair housing education and outreach, and citizen referrals.	721,345	743,830	0
CD13 Citizen Participation/CDC Support/HUD Oversight - Office of Budget Services/Community Development Division. Provide coordination of ConPlan budget development, citizen participation, and reporting to HUD as primary City liaison.	751,819	801,626	0
CD14 Community Care Management Support - Provides funding for Office of Community Care (OCC) management staff support for OCC programs.	186,237	270,518	0
CD15 Housing Management Support - Provide funding for Housing management staff support for housing programs.	992,263	1,022,031	0
Total CDBG - Fair Housing and Planning & Program Oversight	2,651,664	2,838,005	0
CDBG - FH/PLN/Program Oversight 20% Cap	2,674,606	2,962,033	
Under/(Over) Cap	22,942	124,028	
CDBG - FH/PLN/Program Oversight Cap Percentage	20%	19%	
TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT	14,038,031	19,609,033	10,295,223
<u>HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</u>			
HM01 CHDO Development Loan Program - Provide development and pre-development loans to City-certified CHDOs developing affordable housing for low income households. (15% minimum)	700,000	885,000	0
HM02 CHDO Operating Assistance - Provide operational support to assist with the development and management of CHDO projects. (5% maximum)	125,000	0	0
HM03 HOME Program Administration - Provide partial Housing department staff HOME funded program administrative costs. (10% maximum)	550,672	688,600	0
HM04 Dallas Homebuyer Assistance Program - Provide no interest, deferred payment loans for down-payment, principal reduction and closing cost assistance. FY 2018-19: estimated 18 households to be served at an avg of \$75k.	642,129	767,129	0
HM05 Housing Development Loan/For Sale Program - Provide organizations with loans for the development of single-family homes.	3,605,570	2,454,933	0
HM06 Housing Development Loan/Rental Program - Provide landlords with loans for the rehabilitation or construction of multifamily units. (> 4 units)	0	2,091,239	0
Home Ownership Opportunities Sub-Total	5,623,371	6,886,901	0
TOTAL HOME INVESTMENT PARTNERSHIP PROGRAM	5,623,371	6,886,901	0

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
<u>EMERGENCY SOLUTIONS GRANT (ESG)</u>			
ES01 Emergency Shelter - Provide temporary shelter for homeless persons by paying for operating costs and providing essential services (such as case management, child care, legal services, employment assistance, and medical/behavioral health services) for those in emergency shelter. FY 2018-19: City program estimated 90 clients to be served; contracts = 12,650. Additional resources: General Fund, State and County	1,587,807	570,854	9,211,130
ES02 Street Outreach - Provide case management and referral services to unsheltered homeless in using the local coordinated assessment system and assisting clients in obtaining Federal, State, and local assistance. FY 2018-19: estimated 125 clients to be served. Additional resources: General Fund	69,072	71,585	1,000,000
Essential Services/Operations Sub-Total	1,656,879	642,439	10,211,130
ES03 Homeless Prevention - Provide assistance to persons at-risk of homelessness who meet income limits below 30% of the area median income. Provide short-term (3 months) and medium-term (4 - 24 months) of rental assistance; payment of rental arrears up to 6 months. FY 2018-19: estimated 68 clients to be served. Additional resources: Private Grants	170,000	80,261	534,185
Homeless Prevention Sub-Total	170,000	80,261	534,185
ES04 Rapid Re-Housing - Provide rental assistance, financial assistance and housing relocation and stabilization services to move homeless people quickly to permanent housing. FY 2018-19: estimated 235 clients to be served. Additional resources: Continuum of Care and General Fund	1,065,784	366,654	4,845,605
Rapid Re-Housing Sub-Total	1,065,784	366,654	4,845,605
ES05 HMIS Data Collection - Provide client-level data collection for persons served by the grant, as well as training, generating reports, monitoring and reviewing data quality.	69,000	25,000	0
HMIS Data Collection Sub-Total	69,000	25,000	0
ES06 ESG Administration - Provide monitoring, data collection and evaluation of contracts and other program activities.	155,877	89,520	0
Program Administration Sub-Total	155,877	89,520	0
TOTAL EMERGENCY SOLUTIONS GRANT	3,117,540	1,203,874	15,590,920

**FY 2018-19 CONSOLIDATED PLAN FOR
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

ATTACHMENT A

A	B	C	D
Project Name	FY 2017-18 Amended Budget	FY 2018-19 CM/CDC Recommended Budget	Additional Resources
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)			
HW01 Emergency/Tenant Based Rental Assistance - Provide emergency assistance and long-term rental assistance, with support services, to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 680 clients to be served. (Merged with E/TBRA Financial Assist and E/TBRA Housing Services)	3,177,000	3,766,134	0
HW02 Facility Based Housing - Provide housing operation costs, including lease, maintenance, utilities, insurance and furnishings, for facilities, with support services, that provide assistance to persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 222 clients to be served. (Formerly Housing Facilities Operations and merged with Supportive Services)	753,615	2,040,000	0
HW03 Housing Placement & Other Support Services - Provide supportive services and housing placement assistance to persons with HIV/AIDS and their families who live in Dallas eligible metropolitan area. FY 2018-19: estimated 205 clients to be served. (Supportive Services category redesigned and now split into Facility Based Housing.)	1,238,313	228,625	0
HW04 Housing Facilities Rehab/Repair/Acquisition - Provide rehabilitation/repair or acquisition funds for facilities that provide housing to persons with HIV/AIDS and their families who live in the metropolitan area.	704,345	0	0
HW05 Housing Information Services/Resource Identification - Provide housing navigation services consisting of a housing resource center with direct one-on-one housing referral assistance and online searchable housing database and web resources, as well as HMIS client level data collection for persons with HIV/AIDS and their families who live in the Dallas eligible metropolitan area. FY 2018-19: estimated 175 clients to be served.	151,212	151,212	0
Other Public Services Sub-Total	6,024,485	6,185,971	0
HW06 Program Administration/City of Dallas - Provide administrative oversight, evaluation, technical assistance, and HMIS client-level data collection for grant funds and program activities.	172,980	186,265	0
HW07 Program Administration/Project Sponsors - Provide administrative costs for project sponsors in oversight and evaluation of program activities and HMIS client-level data collection for program activities.	272,880	272,880	0
Program Administration Sub-Total	445,860	459,145	0
TOTAL HOUSING OPPORTUNITIES FOR PERSONS W/ AIDS	6,470,345	6,645,116	0
GRAND TOTAL CONSOLIDATED PLAN BUDGET	29,249,287	34,344,924	25,886,143

Memorandum



CITY OF DALLAS

DATE May 18, 2018

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

SUBJECT **Briefing on the City of Dallas Housing Finance Corporation and Proposed
Amendments to the Articles of Incorporation and Bylaws**

Summary

The Vice-Chair of the Government and Performance and Financial Management Committee requested a briefing on the finances and activities of the City of Dallas Housing Finance Corporation (DHFC). Accordingly, since the primary purpose of the DHFC is residential development staff determined it would be beneficial to brief the Economic Development and Housing Committee as well.

Background

The Texas Housing Finance Corporations Act (Act), Chapter 394 of the Texas Local Government Code, governs the powers and duties of Texas housing finance corporations (HFC). The primary purpose of the Act is to finance the cost of residential ownership and the development of decent, safe, sanitary housing at affordable prices for residents of local governments. Under the Act, all HFCs property, income and bonds are exempt from state and local taxes. HFCs can make contracts and other instruments necessary to exercise its powers under the Act. Additionally, HFCs can purchase, lease, sell mortgage and exchange its property and assets, can borrow and lend money for corporate purposes, may conduct studies and promote residential development, establish rules and regulations for loan applicants including income limits, issue bonds for the cost of residential development and home mortgages, and create subsidiary entities.

The Act precludes HFCs from other state statutes such as competitive bidding, requirements, restrictions applying to public property, and HFCs can accept and transfer a residential development site by sale or lease from a local government without the local government submitting the issue to voters and without regard to any other general or local law. Finally, the Act allows HFCs to contract with and to perform services for other HFCs, execute contracts for residential development with housing authorities, nonprofits or similar entities, the Texas Department of Housing and Community Affairs, and HFCs can designate an area as economically blighted after Council holds a public hearing and makes required findings.

Dallas Housing Finance Corporation History and Background

On April 25, 1984, the City Council approved creation of the DHFC, a public instrumentality and nonprofit corporation, and adopted the Articles of Incorporation. The

purpose of the DHFC was to issue revenue bonds on behalf of the City for the purpose of providing funds to finance multifamily developments and mortgage loans for the purchase of single family homes that serve low to moderate income households. On March 28, 1990, the DHFC bylaws were amended to expand the eligible loan area to citywide for the single-family mortgage program. In February 2007, the DHFC bylaws were amended to allow the DHFC to purchase, lease, hold title to, and take an ownership interest in a residential development subject to City Council approval. To date, the DHFC has an ownership interest in 5 properties. The chart below illustrates the DHFCs role in each of these properties.

Development	Council District	Co-Developer	General Contractor	General Partner	Own Property	Own Improvements	Issue Bonds	Lender
Gurley Place at Jubilee Park (2012)	7				✓	✓		
Providence Mockingbird (2012)	2			✓	✓			✓
Sterlingshire aka Bruton (2016)	7	✓	✓	✓	✓		✓	
Park at Cliff Creek (2016)	8			✓	✓		✓	
Martha's Vineyard (2017)	2			✓	✓		✓	

On March 27, 2013, the DHFC articles of incorporation were amended to state the DHFC was organized for charitable, religious, educational and scientific purpose including for making distributions to 501 (c) (3) charitable organizations. Finally, on October 10, 2017, the DHFC Board approved changes to its articles of incorporation and other governing documents to include conflict of interest and contracting requirements; however, staff did not bring forward to Council for consideration.

Issues and Challenges

Recently, there have been several concerns raised regarding the DHFC. In particular, concerns raised with the role of the DHFC as intermediary for the Voucher Sublease Program adopted under the Comprehensive Housing Policy. Moreover, City staff has challenges with providing the DHFC Board with support and the Board has expressed concerns with staff overreaching its authority. To alleviate these concerns and overcome challenges staff recommends amending the DHFCs articles of incorporation and bylaws to provide staff administrative support and oversight, streamline functions, modify Board representation, memorialize Chapter 12A and portions of Chapter 8 of the City Code.

Alternatives

If the proposed amendments do not move forward, then the issues and challenges outlined will persist. Particularly regarding administrative oversight and concerns with

overall operations of the DHFC. Additionally, the DHFC will be limited in terms of the service area for bond issuances for residential developments. In order to fully implement the adopted Comprehensive Housing Policy, the DHFC's service area should be citywide.

Fiscal Impact

There are no costs considerations to the City as the DHFC generates its own revenue from the following sources: **1) issuer fees, 2) application fees, 3) developer fees, 4) cash flow payments, 5) partnership fees, and/or 6) ground lease payments.** In Fiscal Year 2017, the DHFC receipted and estimated **\$447,266.36**; this is based on bank statements provided and not actual deposit slips. A summary of the expenditures for the last **12** months is included as **Attachment I**. These expenditures include reimbursements for City staff salaries, reimbursements to Board members for travel and conferences, third party contractor payments, and legal services expenses for DHFC general counsel.

Department/Committee Coordination

HNR staff will work with the CAO, CFO, and the DHFC Board to finalize amendments the DHFCs articles of incorporation and bylaws.

Staff Recommendations and Next Steps

Staff recommends amending the DHFC articles of incorporation and bylaws to include the following:

1. Insert language that City Council in its sole discretion may amend the bylaws of the DHFC if it finds and determines such changes are wise, expedient, necessary or advisable. Currently, the articles of incorporation may be amended by the City Council in its sole discretion
2. Broaden service area to citywide; currently, restricted to CBD, CDBG eligible areas, and southern portion of Dallas for residential developments
3. Include language that City Councilmembers may appoint only one Director to the Board; increase members to 15
4. Incorporate Chapter 12A of the City Code in the articles of incorporation and bylaws; and statement of conflict of interests which is consistent with other Boards and Commissions of the City
5. Incorporate from Chapter 8 of the City Code; Article I sections 8-1.2. and 1.4. Chapter 8 covers Boards and Commissions and includes qualifications for appointment such as no criminal history and residency requirement, etc.
6. Incorporate General Manager which must be the Director of the Housing and Neighborhood Revitalization Department; General Manager may appoint Assistant General Manager and Administrator

7. Staff services for the Board must be provided by the City including the City Attorney's Office (CAO) as general counsel, and the City's Chief Financial Officer (CFO) or designee as Treasurer. The Board must reimburse the pro rata share of City staff salaries and benefits

The proposed amendments to the articles of incorporation and bylaws are in draft form, are still under review and subject to change. At its May 8, 2018 meeting, the DHFC Board approved the Director and Assistant Director of Housing and Neighborhood Revitalization (HNR), and the City's Chief Financial Officer (CFO) as signatories for all DHFC bank accounts; however, any expenditure over **\$10,000** will require Board approval.

The DHFC Board was briefed at its regularly scheduled Board meeting on May 8, 2018. The Board requested time to provide comments to the proposed amendments; therefore, the Board can submit comments until June 1, 2018. Staff will respond to comments and bring forward final recommended amendments to the articles of incorporation and bylaws at the June 12, 2018, DHFC Board meeting. In August 2018, staff will bring forward amendments to Council for consideration and adoption. If approved, the articles of incorporation will be filed with the Texas Secretary of State.



Raquel Favela

Chief of Economic Development & Neighborhood Services

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| Honorable Mayor and Members of the City Council | Jon Fortune, Assistant City Manager |
| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Larry Casto, City Attorney | Jo M. (Jody) Puckett, Assistant City Manager (Interim) |
| Craig D. Kinton, City Auditor | M. Elizabeth Reich, Chief Financial Officer |
| Billerae Johnson, City Secretary | Nadia Chandler Hardy, Chief of Community Services |
| Daniel F. Solis, Administrative Judge | Theresa O'Donnell, Chief of Resilience |
| Kimberly Bizer Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors |
| Majed A. Al-Ghafry, Assistant City Manager | |

Attachment I

LINE ITEM	AMOUNT
Travel Reimbursement & Conference Registration for Board Members (7 Board Members)	\$15,333.15
Travel Reimbursement & Conference Registration for City Staff	\$4,492.84
Reimbursement for City Staff Salaries (8% Interim Director, 3% AD, 0.5% Fin Mgr, 0.5% Comm Coord, 0.5% Ag Coord, 0.5% Secretary; 100%DHFC Coord 5pps+1 Interim); salaries reflect 7+part Pay Periods and no salary for Acct {Note: this includes the amount of the Term Pay}**	\$203,081.75
Reimbursement for City Staff Mileage	\$242.96
3rd Party Consultant (Includes Mileage)* 2016 invoices paid in 2017	\$14,523.63
3rd Party Consultant (Includes Mileage)*	\$24,386.41
Legal Services	\$46,194.11
Audits	\$5,500.00
Membership Fees & Dues (NALHFA, TALHFA, & Apartment Association of Greater Dallas)	\$9,478.25
Nonprofit Donations	\$318,000.00
Food for Board Meetings	\$2,843.57
Marketing & Advertisement	\$2,658.15
Insurance	\$15,948.30
Partnership Expenses	\$12,826.00
Other DHFC Expenses (Interpretation, Bank Statements, etc.)	\$325.00
***Total	\$675,834.12

*\$30,000 contract with Board member for social services compliance monitoring and to serve as Board liaison with property managers

**Includes estimated accrual for July thru December 2017; dollars have not been reimbursed to the City

***These are preliminary estimates and numbers are unaudited

Housing Finance Corporation

Economic Development and Housing Committee

May 21, 2018

**Raquel Favela, Chief of Economic
Development & Neighborhood Services**

**Avis F. Chaisson, Assistant Director
Housing & Neighborhood Revitalization
City of Dallas**



Presentation Overview

- Powers and Duties of Texas HFCs
- History and Background of DHFC
- DHFC Developments
- DHFC Revenue & Expenditures
- Proposed Amendments to the DHFC Articles of Incorporation and Bylaws
- Next Steps

Powers and Duties of Texas HFCs

- Authorized under Chapter **394** of the **LGC** which the primary purpose is to finance the cost of residential ownership and the development of decent, safe, sanitary housing at affordable prices for residents of local governments
- Make contracts and other instruments necessary to exercise powers
- Can purchase, lease, sell mortgage and exchange its property and assets
- Can borrow and lend money for corporate purposes
- May conduct studies and promote residential development

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Powers and Duties of Texas HFCs – cont'd

- Establish rules and regulations for loan applicants including income limits
- Operate a public instrumentality on behalf of the City, not a division of the City
- Issue bonds for the cost of residential development and home mortgages
- Create subsidiary entities
 - DHFC Jubilee Seniors, LLC
 - DHFC Providence at Mockingbird, LLC (Alden Torch)
 - Bruton Apartments GP, LLC (NRP Group, LLC)
 - PCC280, LLC (Cesar Chavez Foundation)
 - Unicom Crest Development GP, LLC (Deaf Action Center)

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Other Exemptions and Eligible Activities of Texas HFCs

- Not subject to competitive bidding statutes
- All of its property, income and bonds are exempt from state and local taxes
- Can accept transfer of a residential development site by sale or lease from a local government without local government submitting the issue to voters and without regard to any other general or local law
- Exempt from requirements and restrictions applying to public property
- Can contract to perform services for other HFCs
- Can contract for residential development with housing authorities, nonprofits or similar entities
- Can contract with Texas Department of Housing and Community Affairs
- Can designate an area as economically blighted after Council holds a public hearing and makes required findings

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History and Background of DHFC

- **April 25, 1984:** City Council approved creation of the City of Dallas Housing Finance Corporation, a public instrumentality and nonprofit corporation, and adopted the Articles of Incorporation
- **Purpose:** To issue revenue bonds on behalf of the City for the purpose of providing funds to finance multifamily developments and mortgage loans for the purchase of single family homes that serve low to moderate income households
- **March 28, 1990:** Amended bylaws expanded the eligible loan area to make single family mortgage program citywide

History and Background of DHFC – cont'd

- **February 28, 2007:** Bylaws were amended to allow the Corporation to purchase, lease, hold title to, and take an ownership interest in a residential development
- **March 27, 2013:** Articles were amended to state the DHFC was organized for charitable, religious, educational and scientific purpose including for making distributions to 501 (c) (3) charitable organizations
- **October 10, 2017:** Board approved changes to articles of incorporation and other governing documents to include conflict of interest and contracting requirements; staff did not bring forward to Council for consideration

DHFC Developments

- Since **2002**, the DHFC has issued bond obligations to partially fund **14** projects for families totaling **\$183.3M** in conjunction with **4%** housing tax credits allocated by the Texas Department of Housing Community Affairs
- Since **2007**, the DHFC has taken a ownership interest in **5** properties

Development	Council District	Co-Developer	General Contractor	General Partner	Own Property	Own Improvements	Issue Bonds	Lender
Gurley Place at Jubilee Park (2012)	7				✓	✓		
Providence Mockingbird (2012)	2			✓	✓			✓
Sterlingshire aka Bruton (2016)	7	✓	✓	✓	✓		✓	
Park at Cliff Creek (2016)	8			✓	✓		✓	
Martha's Vineyard (2017)	2			✓	✓		✓	



DHFC Developments

Providence Mockingbird
Apartment Homes
251 Units
CD 2



Jubilee at
Gurley Place
24 Units
CD 7



Park At Cliff Creek
280 Units
CD 8



Sterlingshire Village
264 Units
CD 7



Martha's Vineyard
100 Units
CD 2

DHFC Revenue

- The DHFC receives revenue from the following sources:
 - ✓ Issuer Fees
 - ✓ Application Fees
 - ✓ Developer Fees
 - ✓ Cash Flow Payments
 - ✓ Partnership Fees
 - ✓ Ground Lease Payments
- For **FY 17**, the DHFC booked **\$447,266.36** in Revenue; the amount is based on bank statements and not actual deposit slips

DHFC Expenditures for Last 12 Months

LINE ITEM	AMOUNT
Travel Reimbursement & Conference Registration for Board Members (7 Board Members)	\$15,333.15
Travel Reimbursement & Conference Registration for City Staff	\$4,492.84
Reimbursement for City Staff Salaries (8% Interim Director, 3% AD, 0.5% Fin Mgr, 0.5% Comm Coord, 0.5% Ag Coord, 0.5% Secretary; 100% DHFC Coord 5pps+1 Interim); salaries reflect 7+part Pay Periods and no salary for Acct {Note: this includes the amount of the Term Pay}**	\$203,081.75
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Other DHFC Expenses (Interpretation, Bank Statements, etc.)	\$325.00
***Total	\$675,834.12

*\$30,000 contract with Board member for social services compliance monitoring and to serve as a Board liaison with property managers

**Includes estimated accrual for July thru December 2017; dollars have not been reimbursed to the City

***These are preliminary estimates and numbers are unaudited

Purpose of Proposed Amendments to the DHFC Articles of Incorporation and Bylaws

- The proposed amendments are in **DRAFT** form, are still under review and subject to change
- Housekeeping items to reflect transition from Office of Economic Development to Housing and Neighborhood Revitalization Department as Board liaison
- Provide Board with Administrative Support and Oversight
- Streamline Functions
- Modify Board Representation
- Memorialize Chapter 12A of the City Code and portions of Chapter 8 of the City Code

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Proposed Amendments to the DHFC Articles of Incorporation and Bylaws

- Insert language that City Council in its sole discretion may amend the bylaws of the DHFC if it finds and determines such changes are wise, expedient, necessary or advisable. Currently, the articles of incorporation may be amended by the City Council in its sole discretion
- Broaden service area to citywide; currently, restricted to CBD, CDBG eligible areas, and southern portion of Dallas for residential developments
- Include language that City Councilmembers may appoint only **one** Director to the Board; increase members to **15**
- Incorporate **Chapter 12A** (Code of Ethics) of the City Code in the articles of incorporation and bylaws; and statement of conflict of interest making DHFC consistent with other Boards and Commissions

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Proposed Amendments to the DHFC Articles of Incorporation and Bylaws – cont'd

- Incorporate from **Chapter 8** (Boards and Commissions) of the City Code; Article I sections **8-1.2.** and **1.4.**
- Board Appointee must adhere to the following:
 - ✓ Accept appointment by signature within **15** calendar days and acknowledge read the code of ethics and agree to comply; must submit to City Secretary
 - ✓ Resident of the City for at least **6** months prior to date of appointment
 - ✓ Must be a qualified voter in the City at the time of appointment
 - ✓ Cannot have a conviction that is considered to be serious by the City Council
 - ✓ Cannot individually, be an employee, or business associate of an adversary party or representative in any pending litigation against the City
 - ✓ Cannot be in arrears on any City taxes or other obligation owed the City
 - ✓ Creditable record of attendance
 - ✓ May only serve on 1 Board; except TIF Boards

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Proposed Amendments to the DHFC Articles of Incorporation and Bylaws – cont'd

- Incorporate General Manager which must be the Director of the Housing and Neighborhood Revitalization Department; General Manager may appoint Assistant General Manager and Administrator
- Staff services for the Board must be provided by the City including the City Attorney's Office as general counsel, and the City's Chief Financial Officer or designee as Treasurer. The Board must reimburse the City for staff salaries and benefits
- Authorize, Director and Assistant Director of Housing and Neighborhood Revitalization, and Chief Financial Officer or designee to be signatories for all DHFC bank accounts

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Recommended Next Steps

Action	Date
Presentation to the Economic Development & Housing Committee	May 21, 2018
Presentation to the Government Performance & Financial Management Committee	May 21, 2018
DHFC Board Comments Due	June 1, 2018
Proposed DHFC Board Adoption of Amendments to Articles of Incorporation and Bylaws	June 12, 2018
Adoption of Amendments of Articles of Incorporation and Bylaws to Council for Consideration	August, 2018

Housing Finance Corporation

Economic Development and Housing Committee

May 21, 2018

Raquel Favela, Chief of Economic
Development & Neighborhood Services

Avis F. Chaisson, Assistant Director
Housing & Neighborhood Revitalization
City of Dallas



Memorandum



DATE May 18, 2018

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

SUBJECT **2018 City of Dallas Economic Development Plan Process Overview**

On May 21, 2018, the Economic Development and Housing Committee will be briefed on the 2018 Economic Development Plan Process Overview.

Summary

On June 13, 2018 the City Council will be asked to approve an agreement to engage AngelouEconomics as the City's consultant to complete a comprehensive economic development strategic plan (Plan) for the City of Dallas. The most recent economic development plan for the City was created in 2006 with a subsequent update in 2013. Both the 2006 plan and the 2013 update were prepared by city staff. The Plan would be the first City economic development plan completed by an external consultant.

The Plan will build upon the Market Value Analysis (MVA) and the recently-adopted Comprehensive Dallas Housing Policy, as well as other relevant planning documents adopted by the Council. The Plan will be developed in four phases:

- **Phase 1** – Project Set-up, Review Past Plans and Studies, Stakeholder Engagement
 - A steering committee will be established during this phase.
 - The consultant will undertake an extensive stakeholder engagement process during this phase including a minimum of four town halls, an on-line survey, focus groups, and dozens of interviews with key stakeholders.
- **Phase 2** – Market Assessment, SWOT Analysis, Competitive Benchmarking
- **Phase 3** – Targeted Industries, Targeted Areas, Industry Clusters, and City and Regional Labor Analysis
- **Phase 4** – Finalize the development of an economic development plan for the next 5 years that will be centered around a three-tiered policy framework. Additionally, an organizational assessment of the Office of Economic Development will determine the office's ability to implement the plan.

Completion of the Plan will take 120 to 150 days from contract execution.

Background

In 2017, the Office of Economic Development and the Office of Procurement Services drafted a request for proposals for a vendor to prepare an economic development strategic plan for the City of Dallas. The RFP was distributed in March 2018.

There were three respondents to the RFP. Each respondent was vetted by the Office of Procurement Services, then interviewed by a five-person committee. AngelouEconomics

DATE May 18, 2018
SUBJECT 2018 City of Dallas Economic Development Plan Process Overview

was considered the most responsive and was recommended for selection as the vendor to draft the City's Strategic Plan.

Issues

The City of Dallas has never engaged a professional firm to prepare an economic development plan. The most recent staff plan has not been updated in five years, and is therefore quickly losing relevance in the face of the rapidly growing economy of 9th largest City in the United States.

Alternatives

With the guidance of a strategic plan, the Office of Economic Development can target our limited funds toward the most important industries and effective programs. Without a strategic plan, we may miss opportunities to target key industries, improve our small business and workforce programs, leverage successful programs for our competitor cities, and receive guidance on the effectiveness of our overall efforts.

Fiscal Impact

The total engagement cost is \$195,000.

Departments/Committee Coordination

The plan would require include the coordination of a number of City Departments, including Housing and Neighborhood Revitalization, Planning and Urban Design, Sustainable Development, Transportation, the City Attorney's Office, and others.

Staff Recommendation

Staff recommends that the Committee forward for consideration by the City Council an item approving engagement of AngelouEconomics for the development of the City's Strategic Economic Development Plan at a cost of \$195,000.

Should you have any questions, please contact me at (214) 671-5257.



Raquel Favela
Chief of Economic Development & Neighborhood Services

- | | |
|--|---|
| c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billerae Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Majed A. Al-Ghafry, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors |
|--|---|

2018 City of Dallas Economic Development Plan Process Overview

**Economic Development and
Housing Committee
May 21, 2018**

**Courtney Pogue, Director
Office of Economic Development
City of Dallas**



Presentation Overview

- Background
- Project Approach
- Staff Recommendation
- Next Steps



Background

- In 2017, the Office of Economic Development and the Office of Procurement Services drafted a request for proposals for a vendor to prepare an economic development strategic plan for the City of Dallas. The RFP was distributed in March 2018.
- There were three respondents to the RFP. Each was vetted by the Office of Procurement Services for responsiveness, then interviewed by a five-person review committee.
- AngelouEconomics was considered the most responsive and was recommended for selection as the vendor to draft the City's Comprehensive Economic Development Plan.

Background

- The most recent economic development plan for the City of Dallas was drafted by internal staff in 2006. The 2006 plan was focused on four broad goals:
 - Grow the economy
 - Increase economic opportunities for city residents
 - Broaden and diversify the tax base
 - Assist in the development of sustainable communities
- In particular, the 2006 plan recommended an economic development focus on Downtown and Southern Dallas.
- A 2013 update to the 2006 plan focused on:
 - Leveraging public sector funding in Southern Dallas
 - Growing corporate interest in Downtown, Uptown, and key office markets
 - Embracing the long-term changes in housing markets that favor urban multi-family options

Background

- The 2018 plan will be first externally created economic development strategic plan created for the City of Dallas.
- The recommended consultant for the 2018 plan, AngelouEconomics has completed more than 600 strategic plans for towns, cities, counties, regions, states, nations, and private sector companies.
- Representative engagements include Baltimore, Prince William County, VA, Dekalb County, GA, Newark, NJ, and many others.

Project Approach – Phased approach

- The consultant plans to approach the engagement in four (4) phases:
- Phase 1 shall consist of:
 - Project Set-up
 - Introduce the consultant/local project teams to local support team
 - Discuss the initial goals, objectives, and vision for the plan
 - Establish consultant/local team communication plan protocol
 - Schedule project team update calls on a regular basis
 - Review Past Plans and Studies, including
 - 2006 Economic Development Plan and Update
 - 2011 Grow South Plan
 - Neighborhood Plus Plan
 - Forward! Dallas Plan
 - Downtown 360 Plan
 - 2018 Comprehensive Housing Policy and MVA
 - Stakeholder Engagement
 - K Strategies, a Dallas-based firm, will support the project by organizing and conducting the process of engaging stakeholders and the public.

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Project Approach – Phase 1

- A steering committee will be organized during the initial project set-up to help guide the progress of the plan and to help ensure its successful implementation.
- The steering committee shall be comprised of the following:
 - Industry leaders
 - Economic development and planning professionals
 - Education and workforce development professionals
 - Regional and local chamber representatives
 - Leaders of relevant community groups
- A initial meeting of the steering committee will be called once the members have been named to the committee.
- As part of the stakeholders engagement the consultant plans to conduct the following activities:
 - Over 40 interviews with government and industry leaders and key stakeholders
 - 6 to 9 roundtable discussions with 10 to 15 representatives from across the city focused on key issues related to economic development
 - Two (2) online questionnaires focused on quality of life and business issues
 - A series (minimum of 4) of town hall meetings to encourage participation by the public at various points during the project.

Project Approach – Phase 2

- Phase 2 of the engagement shall include a market assessment, identification of local and regional economic drivers, asset mapping, and a SWOT analysis of the economic development potential of the city
- The market assessment will compare the City of Dallas to three (3) comparison cities for benchmarking.
- The consultant will look at the following data points for benchmarking the City:
 - Business Climate
 - Workforce Development and Education
 - Marketing and Economic Development Efforts
 - Sites and Infrastructure
 - Quality of Life
- The market assessment will utilize both qualitative and quantitative data
- Once completed, the market assessment shall provide answers to a series of key questions related to economic development in the City of Dallas
- Also the SWOT analysis will serve as a starting point for the development of goals and strategies key in the economic development plan.

Project Approach – Phase 3

- Phase 3 shall include target industry analysis and recommendations. The consultant will review:
 - What clusters currently exist in Dallas and how are they performing?
 - How does Dallas's local industry clusters compare to national growth trends?
 - Which local assets give specific industries a competitive edge in Dallas?
 - Do these targets meet the community's goals?
- Based on this analysis, the consultant will identify target industry recommendations.
- A regional labor analysis will be conducted for each target industry.

Project Approach – Phase 4

- The consultant will develop a plan to guide economic development efforts in the City of Dallas for the next five years.
- The plan will yield a three-tiered policy framework. Each tier of the framework will clearly articulate the strategic recommendations of the plan. The tiers are:
 - Tier 1: Goals
 - Tier 2: Strategies
 - Tier 3: Actions
- The consultant will also conduct an organizational assessment of the Office of Economic Development including the office's ability to implement the plan

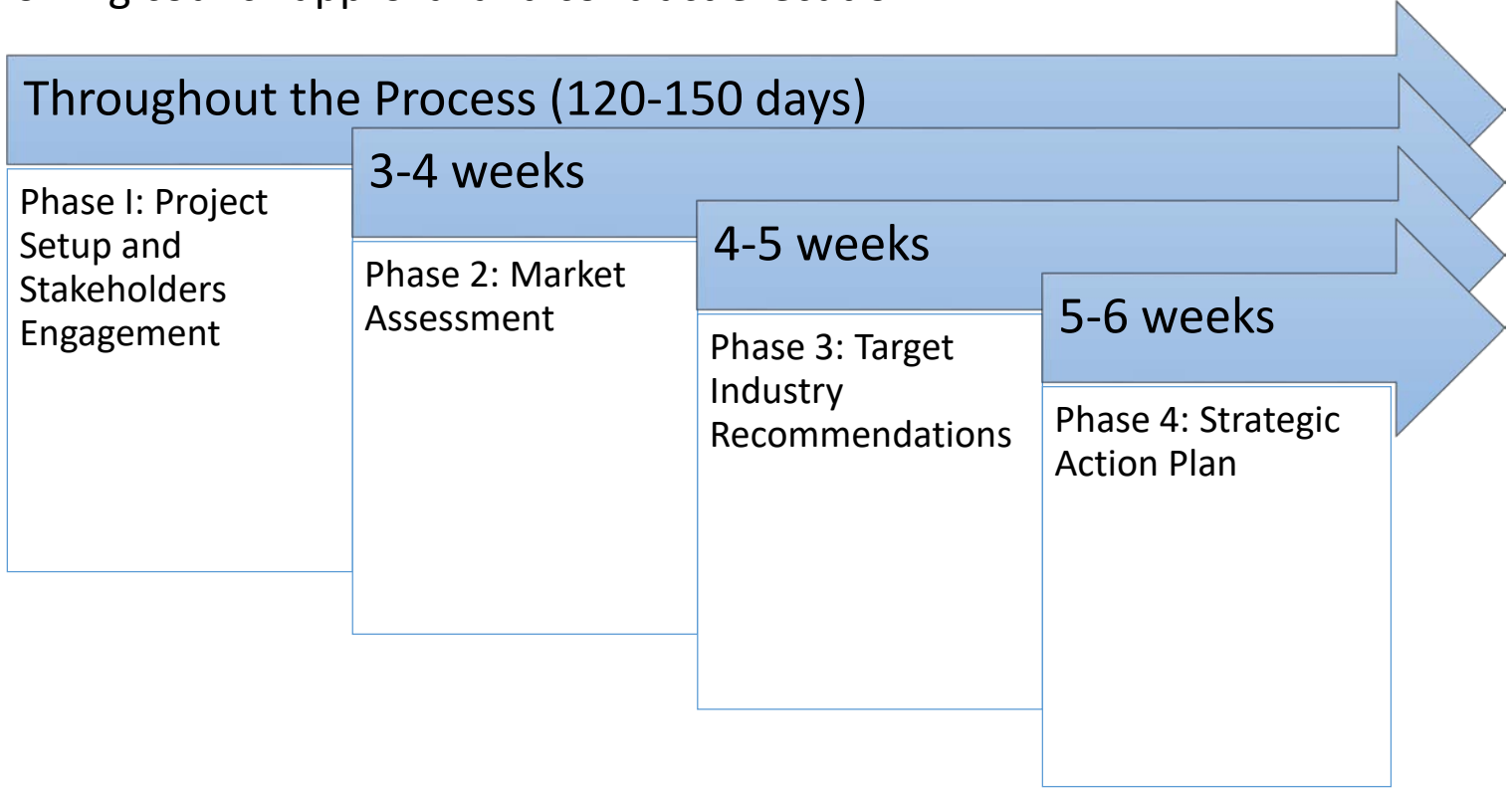
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Project Approach – Phase 4

- The consultant will provide best practice case studies from communities that have faced similar challenges
- As part of the implementation plan, the consultant will provide the following:
 - An implementation matrix with a timeline for deliverables
 - Performance matrix recommendations
 - Recommended budgets for performing economic development in the City of Dallas

Project Approach – Timeline

The following describes a proposed timeline for completion of the plan following council approval and contract execution:



Staff Recommendation

- Staff recommends the Economic Development and Housing Committee forward an item to the full City Council approving the selection of AngelouEconomics for the development of the 2018 Strategic Economic Development Plan at a cost of \$195,000.
- Staff also recommends establishment of a Steering Committee to guide the planning process. As with the MVA Steering Committee, staff recommends that each member of the Economic Development and Housing committee nominate one member of the Steering Committee, and that additional seats be allocated to TREC, DFW Airport, DART, DISD, DCCCD, Dallas County, and Workforce Solutions of Greater Dallas.

Next Steps

- Upon the approval of the Economic Development and Housing Committee, the item will be placed on the June 13, 2018 City Council Agenda.
- Steering Committee selections should be submitted to Raquel Favela by the end of June.



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May 21, 2018**

**Courtney Pogue, Director
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