



City of Dallas

Evaluating and Supporting Housing Tax Credit Applications

4% LIHTC and 9% LIHTC Proposals

Office of Housing and Community
Empowerment

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Presentation Overview



- Background
- LIHTC Developments – 4% and 9%
- Obtaining Support from the City of Dallas
 - Overview of Required Documents
 - Staff review and Threshold Criteria
 - Fair Housing Review Worksheet
- Timeline and Next Steps
- Q&A



Some Common Housing Acronyms



- **Affordable Housing**

- Housing that is affordable to people at no more than 30% of household income

- **Area Median Income**

- The median household income for a given metropolitan area.

- **Low-to-Moderate Income**

- 100% AMI in Dallas for a family of 4 is \$117,300
- 80% AMI in Dallas for a family of 4 is \$93,850
- 30% AMI in Dallas for a family of 4 is \$35,200
- An individual/household income that is at least 30 percent and less than 80 percent of the area median income

- **Affordability Period**

- The length of time the rent or occupancy of the home is required

- **LIHTC**

- Low Income Housing Tax Credit is a program to help developers who provide affordable rental units



Background



Affordable Housing Needs in Dallas

- **Rental Gap:** Dallas is short **~39,900 affordable units** for households earning $\leq 50\%$ AMI. This gap could exceed 70,000 units by 2033.
- **Shrinking Affordability:** Only **30% of rental stock is affordable** to the average resident—down from 50% a decade ago. Projected to fall to 21% in the next 10 years.
- **Homeownership Goal:** To reach 50% homeownership, 42,100 renters must transition to ownership—requiring **3,400 new units/year**.
- **Homelessness:** Over **3,700 individuals** are unhoused in Dallas, Dallas County, and Irving—about 10 per 10,000 residents.

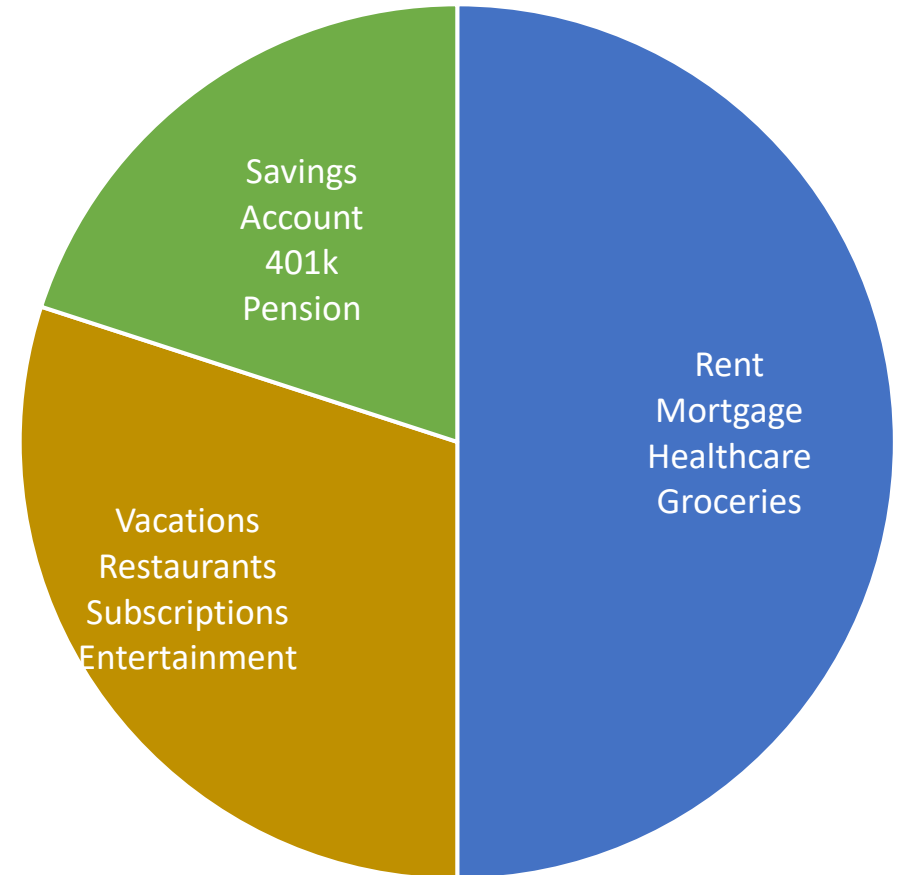


Background



What is Affordable Housing

- Housing that allows you to spend less than 30% of your income on housing costs
- A common budget is the 50/30/20
 - 50% to needs
 - 30% to wants
 - 20% to savings



■ Needs ■ Wants ■ Savings



Background: Different Housing Needs and AMI



<div>20%</div> <div>40%</div> <div>60%</div> <div>80%</div> <div>100%</div> <div>120%</div>							
Emergency Shelters	Rapid Re-Housing	Supportive Housing	Public Housing	Affordable Rental	Affordable Homeownership	Market Rate Rental	Market Rate Homeownership
Bridge Homeless Recovery Center	American GI Forum	St Jude I & II	DHA	LIHTC	Land Bank	Most Rental Units	Most Homes for Sale
Austin Street	Catholic Charities	Cottages at Hickory Crossing	Housing Choice Vouchers	MIHDB	Land Transfer		
Family Gateway	Under 1 Roof			Senior Living	NOFA		
Family Place				PFC/HFC	DHAP		
				NOFA			



Background



2025 Income Limits
Number of People

AMFI%	1	2	3	4	5	6	7	8
20	16440	18780	21120	23460	25340	27220	29100	30980
30	24660	28170	31680	35190	38010	40830	43650	46470
40	32880	37560	42240	46920	50680	54440	58200	61960
50	41100	46950	52800	58650	63350	68050	72750	77450
60	49320	56340	63360	70380	76020	81660	87300	92940
70	57540	65730	73920	82110	88690	95270	101850	108430
80	65760	75120	84480	93840	101360	108880	116400	123920

2025 Rent Limits
Number of bedrooms

AMFI%	0	1	2	3	4	5
20	411	440	528	610	680	751
30	616	660	792	915	1020	1126
40	822	880	1056	1220	1361	1502
50	1027	1100	1320	1525	1701	1877
60	1233	1320	1584	1830	2041	2253
70	1438	1540	1848	2135	2381	2628
80	1644	1761	2112	2440	2722	3004

Attention: Example income limits and rent limits for 4% LIHTC properties sourced from [Texas Department of Housing and Community Affairs - Housing Resource Clearing House](https://www.tdhca.state.tx.us/housing-resource-clearing-house) for projects awarded and placed in service after May 2025. This is for example only and should not be used to set rent limits at any/a proposed project. To find the AMI limits or rent limits for a proposed development or existing development, these would have to be sourced by using the TDHCA website or through the property (manager or developer).



What is the LIHTC Program?



- Low Income Housing Tax Credit Program
- Federal Program created under the 1986 Tax Reform Act (Section 42 of the IRS Code)
- Managed by Texas Department of Housing and Community Affairs (TDHCA)
- Purpose: Incentivizes private investment in affordable rental housing by offering tax credits to developers.
- Two Types of Credits:
 - 9% Credit: Competitive, awarded annually, covers ~70% of project costs.
 - 4% Credit: Non-competitive, awarded year-round with tax-exempt bond financing, covers ~30%–50% of costs.
- Affordability Requirements:
 - Units must serve households earning $\leq 60\%$ of Area Median Income (AMI).
 - Projects must remain affordable for at least 30 years.



City of Dallas role in LIHTC Program



- City Role (through Office of Housing & Community Empowerment)
 - Issues Resolutions of Support (for 9%) or No Objection (for 4%) to developers applying to TDHCA.
 - Uses the Dallas Housing Resource Catalog (DHRC) to evaluate proposals.
- Evaluation Criteria:
 - Alignment with city housing goals.
 - Project location, affordability mix, and community impact.



How LIHTC Helps Dallas Meet Housing Needs



- **Targeted Affordability:** LIHTC projects serve households earning $\leq 60\%$ AMI, directly addressing the population most impacted by the housing gap.
- **Production + Preservation:** LIHTC supports both new construction and rehabilitation of aging affordable units, helping prevent displacement.
- **Public-Private Leverage:** LIHTC brings private capital into affordable housing, reducing reliance on limited public funds.
- **Strategic Alignment:** Dallas uses LIHTC to support mixed-income, transit-oriented, and geographically sensitive developments.



LIHTC 4% and 9%



Category	4% LIHTC (Non-Competitive)	9% LIHTC (Competitive)
TDHCA Process	Applications accepted year-round; not scored by TDHCA	Applications scored and ranked annually by TDHCA
City Resolution Type	Requires Resolution of No Objection	Requires Resolution of Support to gain competitive points
City Review Process	Must meet threshold criteria + receive positive Fair Housing rating	Must meet threshold criteria + either be a priority housing needs development or have qualifying score + receive positive Fair Housing rating
Scoring by City	Not scored by City; staff verifies minimum requirements	Scored by City using evaluation matrix (e.g., location, services)
City Council Involvement	Staff recommends resolution if thresholds are met; presenting the project to City Council includes acknowledgements and required waivers if any; Council approval required	Staff recommendation based on score or if the development is a priority housing needs development; Council approval required





Obtaining Support from the City of Dallas



Required Documents



- ☐ Evidence of Site Control
- ☐ Minimum Site Requirements Form
- ☐ Mitigation Plan (if applicable)
- ☐ Proforma Including Projections and Cash Flow
- ☐ MOUs with Identified Partners
- ☐ Map Demonstrating Proximity to Site Amenities
- ☐ Resident Services Checklist
- ☐ Evidence of Priority Housing Needs (if applicable)
- ☐ Certification of Good Standing
- ☐ Conflict of Interest Questionnaire
- ☐ Fair Housing Review Checklist
- ☐ Evidence of Consultation with Planning/Zoning Staff (if applicable)
- ☐ Proof of Tenant Notification (if applicable)
- ☐ Relocation Plan (if applicable)
- ☐ Plan and Cost Review (if applicable)
- ☐ Capital Needs Assessment (if applicable)
- ☐ TDHCA Application (if applicable)
- ☐ City of Dallas application form



Threshold criteria – City of Dallas requirements



- Submission of a complete application (see checklist)
- Evidence of site control
- Zoning in place or completed zoning consultation
- Must meet City's obligation to affirmatively further fair housing (include complete Fair Housing worksheet and receive positive rating)
- Tenant notification within 45 days of submission to City of Dallas (if applicable, i.e. in rehab)
- 9% LIHTC applicants must register as a vendor (\$500 funding commitment)
- Must include permissible relocation plan, for occupied developments
- Plan and Cost review for developments that are rehab or adaptive reuse
- Capital Needs Assessment (CNA) if rehab
- For developments in census tract with a poverty rate of 40% or higher the development must achieve outlined minimum scores under the Resident Services checklist



Threshold criteria– TDHCA requirements



- Must meet TDHCA minimum site and development requirements
- Mitigation plan for undesirable site features (if applicable)
- Development must meet TDHCA underwriting standards and include development budget, detailed sources and uses, affordability and unit mix, 30-year cashflow
- City will review for applicable TDHCA waivers/acknowledgments
- Proposer must be eligible pursuant to TDHCA standards and City standards



For 4% HTC Applications



- Projects must meet threshold criteria
- Receive “Positive Fair Housing Rating”
- Staff will confirm:
 - What community engagement has taken place
 - That the Councilmember is aware of the project (setting up call to discuss proposal)
 - What waivers and acknowledgments are required (1 mi 3 yr, 20% HTC, 2x per capita, poverty rate and/or RECAP)
- Staff will present project to Housing Committee with recommendation either to/not to support project; Council will discuss at Committee
- Continuation to City Council if recommended support for Resolution of No Objection



For 9% HTC Applications



- Projects must meet threshold criteria
- Receive “Positive Fair Housing Rating”
- Staff will confirm:
 - What community engagement has taken place
 - That the Councilmember is aware of the project (setting up call to discuss proposal)
 - What waivers and acknowledgments are required (1mi 3 yr, 20% HTC, 2x per capita, poverty rate and/or RECAP)
- Determine if project qualifies as a “Priority Housing Needs Developments”
- If project is not a “Priority Housing Needs Developments” staff will score the project
- Staff will present project to Housing Committee with recommendation either to/not to support project; Council will discuss at Committee
- Continuation to City Council if recommended support for Resolution of Support



Priority Housing Needs Developments



Must meet one or more of the following:

- Selected for City funding (e.g., HOME, CDBG, GO Bonds) through a competitive process in the last 3 years.
- Includes City-affiliated entities (e.g., Dallas Housing Finance Corp. or Public Facility Corp.) as site owners or equity partners.
- Involves redevelopment of public housing through programs like Choice Neighborhoods, RAD, or HOPE VI.
- Located in a census tract with poverty rate below 20%.
- Commits at least 20% of units (in 50+ unit projects) to Continuum of Care referrals via a signed MOU.



Scoring for other 9% HTC Applications



Projects that are not Priority Housing Needs Developments must score at least 50 points in this section. Factors include:

- Mixed income projects (up to 20 points)

Market-Rate Unit Share	Points Awarded
5% – 9.9%	5 points
10% – 14.9%	10 points
15% – 19.9%	15 points
20% or more	20 points

- Nonprofit or Historically Underutilized Business (HUB) Participation (5 points)
 - Must be a qualified nonprofit or HUB
 - Must participate as developer or co-developer
 - Must have controlling interest in project, greater than 50% ownership in the GP or Managing Member



Scoring for other 9% HTC Applications



Projects that are not Priority Housing Needs Developments must score at least 50 points in this section. Factors include:

- Proximity to Amenities (up to 25 points)
 - More points for being near more amenities
 - Distance to amenities like transit, public parks, grocery stores, community centers, daycare, clinics and/or pharmacy, major employment centers
- Resident Services (up to 25 points)
 - Detailed thresholds for these services on the Resident Services Checklist (linked on website)
 - Transportation services
 - Children and Adult centered services
 - Health services
 - Community Services



Fair Housing Review Worksheet



- **A Standardized Tool for Equitable LIHTC Development**
- **Ensuring Low-Income Housing Tax Credit applications align with Dallas's commitment to fair housing, opportunity, and inclusive growth**



Purpose of the Fair Housing Review Worksheet



This presentation highlights the strategic focus for the creation and implementation of the Fair Housing Review Worksheet, a comprehensive standardized tool developed to evaluate Low-Income Housing Tax Credit (LIHTC) applications submitted to the City of Dallas.

The development of the worksheet represents a significant advancement in how the City assesses proposed affordable housing developments. It is specifically designed to provide a projects relevant information that will help determine how it aligns with the City's six fair housing goals and actively support equitable, inclusive, and opportunity-rich housing outcomes for all Dallas residents.

By implementing this structured evaluation framework, the City can systematically assess each application's contribution to fair housing objectives while maintaining consistency and accountability throughout the review process.

Key Focus Areas

- Standardized evaluation criteria
- Alignment with six fair housing goals
- Data-driven decision-making
- Transparency and accountability
- Equitable housing outcomes



Background and Development



In response to the City of Dallas's steadfast commitment to further the purpose of the Fair Housing Act, the Fair Housing Division undertook a efforts to revise the worksheet to serve as part 1 of a structured assessment tool that would guide the review of LIHTC proposals with greater precision and equity focus.

01

Regional Assessment

Analysis of the North Texas Regional Housing Assessment identified critical housing needs and equity gaps

02

Goal Articulation

Six core fair housing goals were established to address identified challenges and opportunities

03

Tool Development

Fair Housing Division created structured worksheet(s) translating goals into measurable evaluation criteria

04

Implementation

Worksheet integrated into LIHTC application review process for systematic assessment

This tool was directly informed by the findings and recommendations of the North Texas Regional Housing Assessment, which provided crucial data on regional housing patterns, opportunity areas, and barriers to fair housing choice. The assessment articulated six core fair housing goals that now serve as the foundation for evaluating development proposals.



Five Critical Reasons for the Worksheet



Operationalize Fair Housing Goals

Translates six fair housing goals into concrete, measurable criteria for consistent assessment across all applications



Standardize Evaluation Criteria

Requires uniform data submission on affordability, accessibility, neighborhood conditions, and services for transparent comparison



Support Data-Driven Decisions

Enables case-by-case, context-sensitive evaluation while collecting quantitative and qualitative data for informed prioritization



Encourage Developer Accountability

Prompts early consideration of equity, displacement prevention, and community benefit in project planning phases



Facilitate Interdepartmental Coordination

Provides shared framework for Housing, Planning, and Economic Development to collaboratively evaluate project impacts



Direct Alignment with Fair Housing Goals



The Fair Housing Review Worksheet was strategically structured to ensure comprehensive coverage of all six fair housing goals. Each worksheet section directly addresses one or more goals, creating a holistic evaluation framework.

Fair Housing Goal	Worksheet Sections	Key Focus
Increase access to affordable housing in high opportunity areas	Sections 1, 3, 4	Location & Opportunity
Prevent loss of affordable housing and increase new supply	Sections 1, 2, 3	Preservation & Production
Increase accessible affordable housing for persons with disabilities	Section 1 (Accessibility Compliance)	Universal Design
Invest in targeted neighborhoods while preventing displacement	Sections 2, 3, 5	Equitable Development
Support residents of publicly supported housing and improve management	Sections 1, 2, 3, 5	Quality & Services
Increase access to fair housing information and resources	Sections 1, 2 (Resident Engagement, Services)	Education & Outreach

This comprehensive alignment ensures that no fair housing goal is overlooked during the evaluation process, and that each application is assessed for its contribution to multiple equity objectives simultaneously.



A Critical Tool for Fair Housing Advancement



The Fair Housing Review Worksheet represents a critical advancement in how the City of Dallas fulfills its fair housing mission. This structured tool ensures that LIHTC-supported developments are systematically evaluated through a comprehensive equity lens, guaranteeing that public resources are strategically directed toward projects that genuinely further the purpose of the Fair Housing Act.

Beyond its practical evaluation function, the worksheet reinforces the City's unwavering commitment to transparency, accountability, and inclusive growth. It establishes clear expectations for developers, creates consistency in decision-making, and provides a documented framework that demonstrates Dallas's proactive approach to fair housing compliance.

Transparency

Clear, standardized criteria for all stakeholders

Accountability

Measurable outcomes tied to fair housing goals

Inclusive Growth

Equity-centered development across Dallas

Moving forward, the worksheet will serve as a tool to help identify and evaluate projects that advance the purpose of the Fair Housing Act and the City of Dallas Fair Housing Ordinance by promoting meaningful, measurable improvements in housing opportunity and access.



Timeline



- 9% HTC Applications received and reviewed once a year
- 4% HTC Applications received year-round; however, staff will only review and bring forward applications four times per year
- **9% HTC Applications due via email** to HousingLIHTC@dallascityhall.com no later than 11:59 p.m. on **December 31, 2025**

Request for Applications (RFA) 2026 Timeline			
45 Day Tenant Notification Deadline	Application Deadline	Housing Committee	City Council Consideration
11/15/2025	12/31/2025	1/27/2026	1/28/2026
1/26/2026	3/13/2026	4/28/2026	5/27/2026
5/11/2026	6/26/2026	8/25/2026	9/23/2026
7/20/2026	9/4/2026	11/3/2026	12/9/2026
*Council Committee dates may be adjusted as necessary to meet City Council agenda dates.			

These dates are tentative and will be updated once the final City calendar for 2026 is released.



Next Steps



- Most current information always on our website:
- Forms and document were updated in late November, please make sure to use most current versions
- Email questions and concerns to HousingLIHTC@dallas.gov or HousingLIHTC@dallascityhall.com
- **Engagement with public and City Council encourages up to the point of submitting application to City of Dallas**
- **After submitting an application, developers should avoid direct communication with Dallas City Council members due to Chapter 12A (the City's Code of Ethics)**





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