



# **Dallas County Housing Finance Corporation 2025**

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## **Introduction**

# Presentation Outline

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- Introductions
- What can an HFC do?
  - Affordable Housing
  - Target Audience
- Legislative Changes
  - House Bill 21
- Bonds
- Its in the By-Laws





# Introductions

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Welcome Board Members of the  
Dallas Housing Finance Corporation 2025

# What Can an HFC do?

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Local Government Code Chapter 394  
(Housing Finance Corporations) says that the  
purpose is to “...provide a means to finance  
the cost of ...decent, safe, and sanitary  
housing at affordable prices for residents...”

# What Can an HFC do?

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- Issue mortgage revenue bonds for low-cost mortgages / downpayment and closing cost assistance
- Issue multifamily housing revenue bonds to build or rehabilitate housing for low-income households
- Receive funding to further its mission

- Provide direct loans or grants to homebuyers for down payment and/or closing cost assistance
- Have a mortgage credit certificate (“MCC”) program
- Provide zero or low-interest loans for housing rehabilitation for low-income residents
- Establish an emergency rental assistance program

- Own multifamily development that provides affordable housing
- Create an in-fill housing program on donated or lots purchased through the HFC
- Construct, own, and operate senior citizen housing
- Assist builders to purchase and rehabilitate substandard housing for low-income residents

Basically, activities with a nexus to affordable housing

# Who is the target audience?

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...applies only to a residential development at least 90 percent of which is for use by or is intended to be occupied by households of low and moderate income...



# **Legislative changes – HB21**

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Geographic Limitation  
Greater Oversight

# 2025's House Bill 21

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## Travelling HFCs

House Bill 21 fixed the “Travelling HFC” problem – HFCs acquired properties and issued tax-exempt bonds or claimed tax exemptions outside their founding jurisdictions without local consent.

## Project Uncertainty

However, this bill applies to deals that are already in existence, requiring HFCs that already hold interests in out-of-jurisdiction properties to obtain local approval by Jan. 1, 2027, or risk losing the project's property tax exemption.



# 2025's House Bill 21

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## Affordability Changes

To qualify for a property tax exemption, a minimum of 50 percent of units must be for low-income tenants. Either with:

40% units @ 80% AMI plus  
10% units @ 60%AMI

Or

40% units @ 100% AMI plus  
10% units @ 50%AMI

## Other Changes

“Rent Reduction test”

At least 50 percent of tax savings from the tax exemption must be passed to tenants or returned to taxing authorities.

Annual Compliance

The “Rent Reduction test” and the low-income tenant percentages are monitored yearly for compliance.

# Bonds



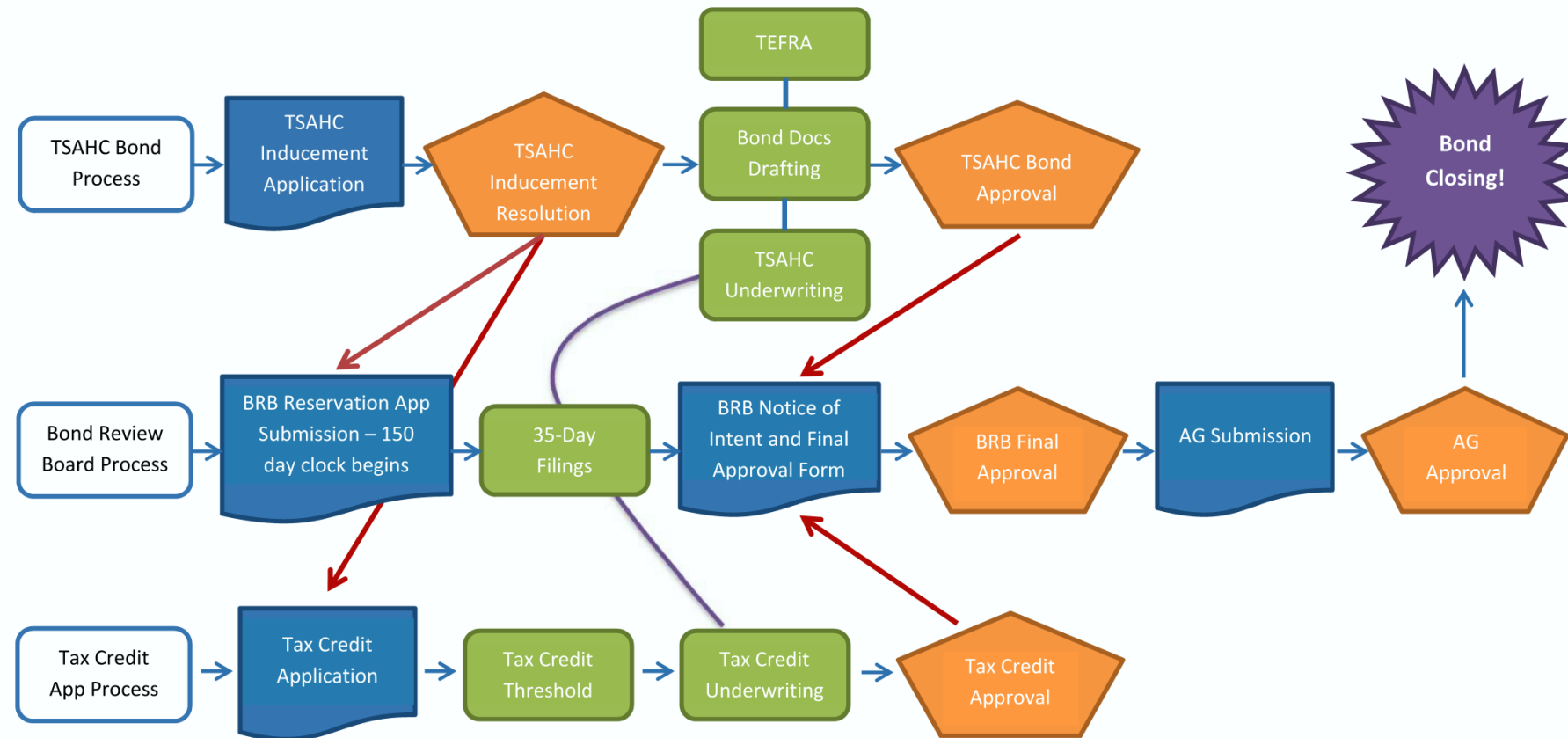
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**Just like a loan, but with some key differences.**

1. You need an Issuer who can make the bonds tax exempt (that's the HFC).
2. Investors will accept a bit less in interest rate because the income on bonds is tax exempt.
3. Texas State Affordable Housing Corporation (TSAHC) is a conduit issuer for the State with authority to issue Multifamily Housing Revenue Bonds.
4. These bonds allow developers to apply for 4% housing tax credits through the State when the bonds finance at least 50% of the cost of the land and buildings in the Development.

# Bonds for Housing

## Simple Bond Approval Process



# Its in the ByLaws

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- Texas Open Meetings
- Non-Profit
- Election of Officers
- Can hire expertise
- Code of Ethics





# Thank you

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