



Dallas County Housing Finance Corporation

Fiji Lofts Preliminary Review Presentation

Presented by PFM Group Consulting LLC

December 3, 2025

PFM Group Consulting LLC.

1735 Market St.
42nd Floor
Philadelphia, PA 19103

(267) 713 0700
Pfm.com



PFM Group Consulting Support for Dallas County HFC

- PFM Financial Advisors (PFMFA) provides financial advisory services to Dallas County; PFM Group Consulting (PFMGC) is a non-regulated affiliate firm providing consulting services to Dallas County and the Dallas County Housing Finance Corporation (HFC).
- We provide a variety of services and capabilities to a national network of clients, which include Texas HFCs, and have provided similar support for affordable housing project reviews in prior client engagements.
- Beyond Texas and HFCs, we have robust real estate and tax policy practices which provide the foundation for understanding both the developer perspective of affordable housing deals as well as the fiscal, economic, and housing policy impacts of decisions to support projects like those the County and HFC will be asked to review.
- PFMGC adds capacity to the County and the HFC's staff in the review of projects for potential partnership, including:
 - Analysis of project alignment with Texas Department of Housing and Community Affairs (TDHCA) requirements for eligibility for TDHCA financing programs (Verification of Applicant Eligibility)
 - Estimating fiscal impacts in terms of foregone property tax revenue by fund
 - Identifying key metrics within project pro forma that point to strengths, weaknesses, and / or opportunities
- Future phases of work may include development of a standardized review process and policy goals or a similar framework to aid in decision making by both the County and HFC.
- Our first task is to assist the County and HFC in evaluating the details of the Fiji Lofts project, currently under consideration.



HFC Policies and Project Review Considerations

- The HFC Board's responsibility is to consider each project based on the data provided by the developer, the County, and any third-party designees (such as PFMGC or PFMFA). There are a variety of factors that should be weighed when making a decision, including:

- 1. Does the project meet TDHCA/HB 21 eligibility requirements, such as:**

- Affordable rent requirements
- 60% of property tax exempted goes to rent reduction
- Adequacy of public benefit

- 2. What are the HFC's priorities and policy goals?**

- How does the HFC weigh foregone revenue against the goal of creating affordable housing?
- Likewise, is providing HFC with a revenue stream a primary goal?

- 3. What makes a project a good or bad fit within the HFC and County's goals?**

- E.g. size, location, and level of affordability.

- 4. Who is involved in the Project and what are the fiscal impacts to the HFC and County?**

- Developer track record and pro forma review.

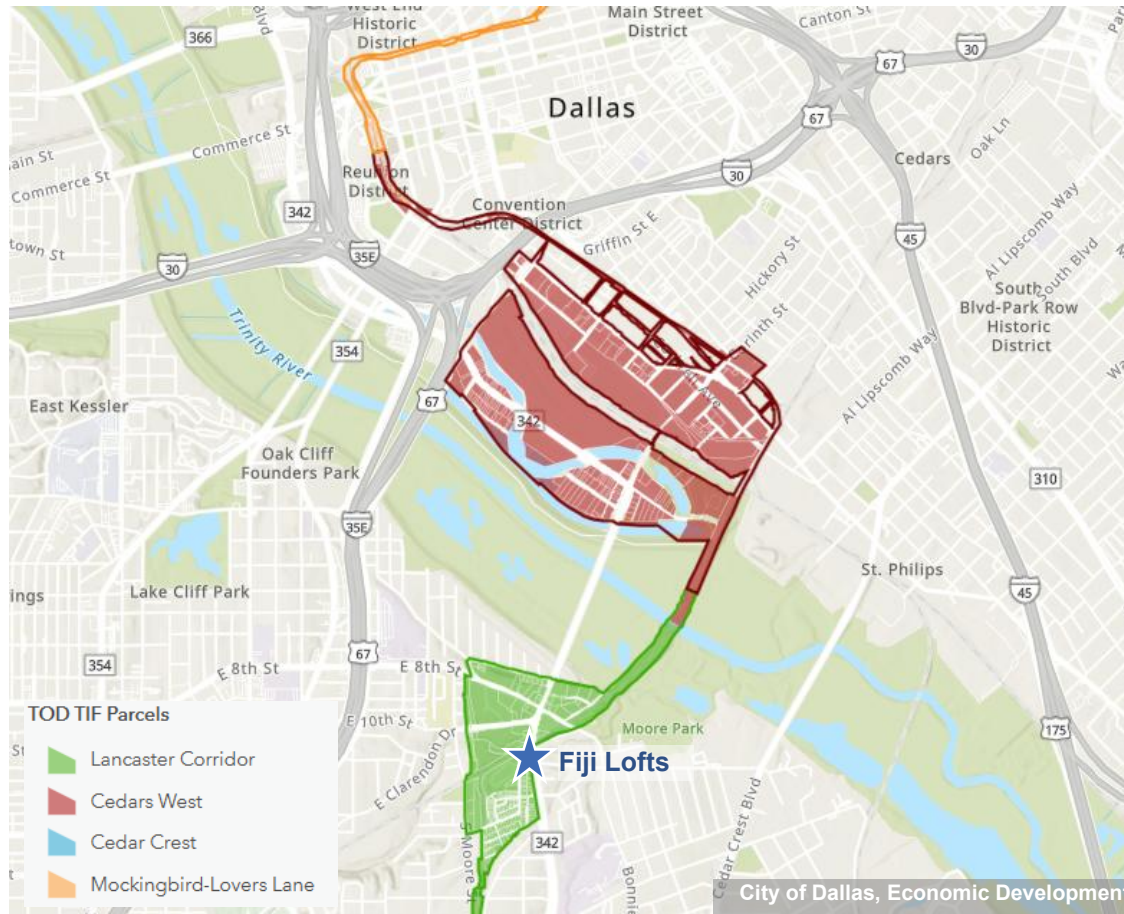
- 5. When does the HFC get engaged in a Project?**

- What information or materials does the developer need to provide for HFC to evaluate a project?
- At what point in the process should these reviews be done?

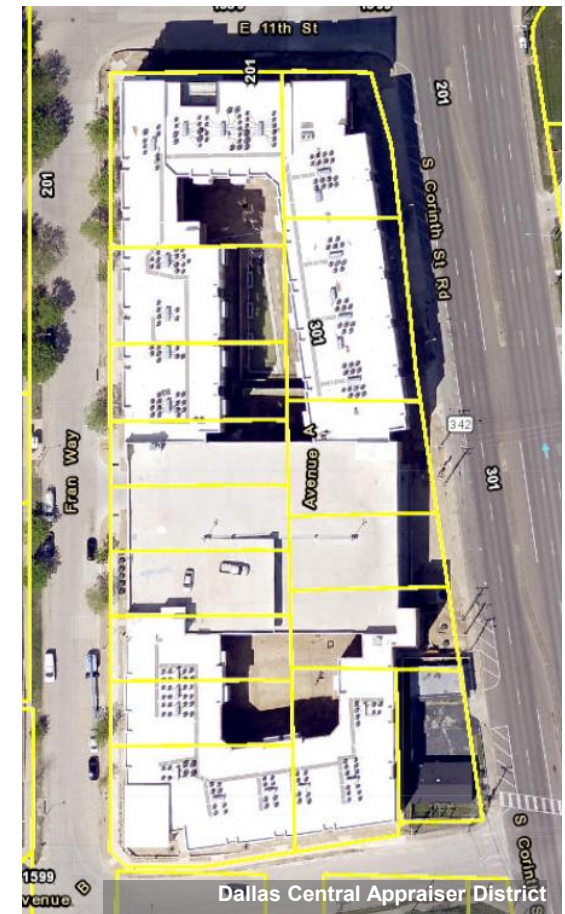


Fiji Lofts Project Overview I

Project Location



Development Aerial





Fiji Lofts Project Overview II

Unit Mix

Unit Configuration	Units	Unit Size (sq feet)	Program Limit Rent	Utility Allowance	Rent Collected
Studio 1 Bath	3	513	\$1,233	\$44	\$1,189
1 Bedroom 1 Bath	91	648 to 861	\$1,320	\$51	\$1,269
2 Bedroom 2 Bath	110	855 to 1,032	\$1,584	\$66	\$1,518
Total Units	204	513 to 1,032	\$1,461	\$59	\$1,402
<i>Total Parking Spaces</i>	296				

- Fiji Lofts is a substantially completed 204-unit, affordable housing development, with 100 percent of units marketed to households earning no more than 60 percent of the area median income.
- The development is located in the City of Dallas, within the Lancaster Corridor TOD District, roughly one-quarter mile from the 8th & Corinth DART Light Rail Station.
- Provided amenities include business center, swimming pool, fitness center, clubhouse/game room, and garage parking
- The total development cost of \$63.0 million, is approximately \$310,000 per unit
 - Construction will be financed by an interim loan of approximately \$29.8 million through stabilization that converts to approximately \$29.5 million in permanent loan.
 - Project financing includes tax-exempt bonds and 4 percent tax credits. .



Address	301 S. Corinth St, Dallas
Developer	Sphinx Development Corp
Units	204 Apartments
Floors	5.5
Retail Space	~13,000 sq feet
Parking Spaces	296 (incl/ 244 covered)
Structures	2 bldgs; 1 garage
Total Development Cost	\$63.0 Million
<i>Cost Per Unit</i>	<i>\$308,873</i>



PFM Analytic Support for Project Reviews

- 1. Is the project location desirable from the HFC's point of view?**
 - Proximity to transit, schools, or other amenities?
- 2. Does it qualify under HB 21 tests**
 - 40%/10% affordable at different level
 - At least 60% of lost property tax goes to rent reduction
- 3. Project Financial Review**
 - Review of Developer assumptions, revenues, expenses (specifically expense ratio)
 - Estimated Debt Coverage Ratio (DCR) annually or at select points in time
 - Estimated IRR to Developer
- 4. HFC Revenue Options**
 - Upfront fee
 - Lease back revenue or percentage of rent (possibly as percent of foregone revenue)
 - Payment in Lieu of Taxes (PILOT) payment to County



Verification of Applicant Eligibility

- The HFC Board is one of the entities that must sign off on an applicant's eligibility for TDHCA funding programs. Verification requires vetting of things like:
 - Do the statutory affordability commitments meet minimums?
 - Does the project pass the 50% rent-reduction test (or make required payments)?
 - Is tenant protection compliance in place?
 - Will the developer comply with annual audits?
 - Is the public benefit sufficient?
 - Is the developer disqualified for some reason such as bad-faith or noncompliance with similar properties?
- **(3) The host-county HFC is satisfied that the developer is not disqualified under HB 21**



Next Steps

- HFC and County will schedule the next instance of the HFC Board meeting.
- PFMGC will prepare additional financial details of the Fiji Lofts project to educate the Board and provide context for decision making.
- The HFC Board will consider the Fiji Lofts Application for Eligibility for property tax exemption, with the potential to include revenue considerations for the HFC.