Public Facility Corporations

A WORKFORCE HOUSING DEVELOPMENT TOOL

The Public Facility Corporation (PFC) structure is an essential tool to promote the development of high-quality, mixed-income housing in Texas. Created as an economic development tool, PFCs provide workforce housing for middle-income families that are not currently served by housing tax credits or market-rate developments, while also stimulating growth and revitalization in targeted areas.

Who Uses PFCs To Develop Housing?











Who Benefits from Workforce Housing?



Social

Workers

Police Teachers



Medical



Mechanics



Plumbers



Firefighters



News Reporters

HOW IT WORKS



A local government entity creates a PFC to participate in a housing development



Developer proposes a mixed-income housing development



Developer obtains approvals, entitlements, and conventional financing from banks and lenders



Local government PFC takes ownership of the land and leases it back to the development



Developer builds quality housing for mixed-income residents



The PFC provides a property tax exemption allowing the development to offer below market rent units to eligible renters

Why it Works



Large Private Sector Financial Investment Local government oversight and control



Fills a critical housing need for local workforce



Economic development for local community

Below-Market Rent for Households Earning ≤80% Area Median Income

> Mixed Income Housing

+ Market Rate Units

ROOM FOR IMPROVEMENT

- Improve Transparency
- Tighten Local Controls
- Implement Affordability Best Practices
- Add Strict Compliance and Reporting Methods
- Implement Acquisition Requirements

