

Comprehensive Housing Policy

City of Dallas, Texas



Road Map

- Overview of the housing problem
- City's housing goals
- Market value analysis
- Housing policy highlights
- Programs, tools and strategies
 - New development
 - Preservation of existing housing stock
 - Direct Assistance

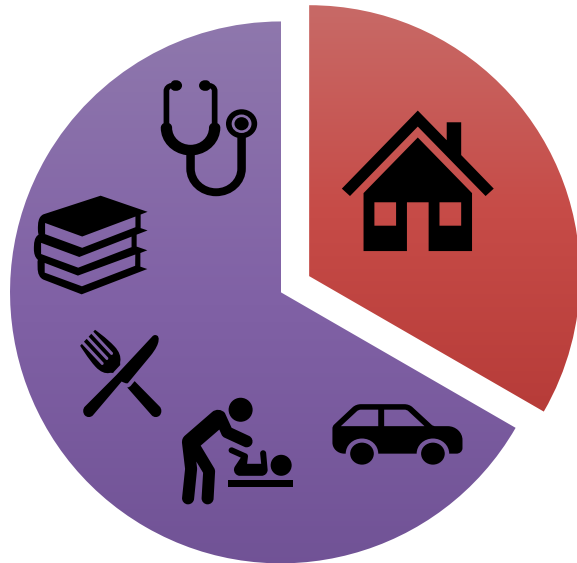




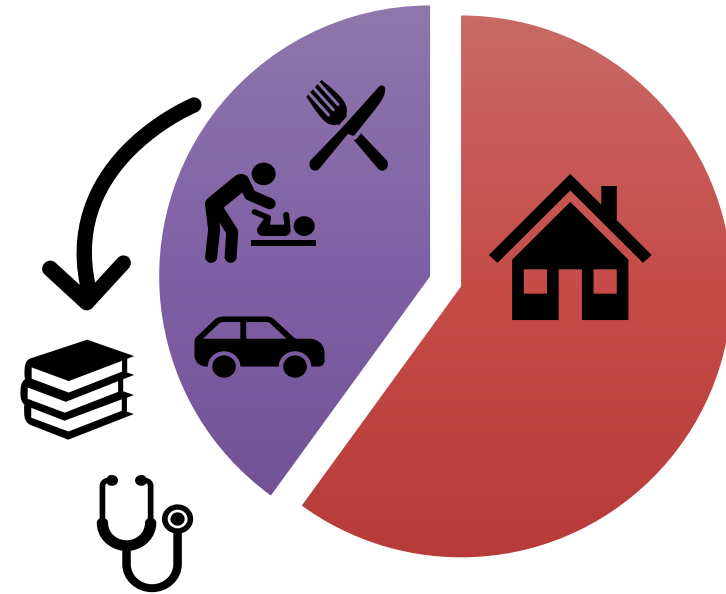
The Problem:

- Dallas has a housing shortage of approximately 20,000 units
- Six out of ten families are housing cost-burdened
- Overcrowding is a concern in some parts of the City
- Families do not have sufficient opportunities to build asset wealth and break multi-generational cycles of poverty

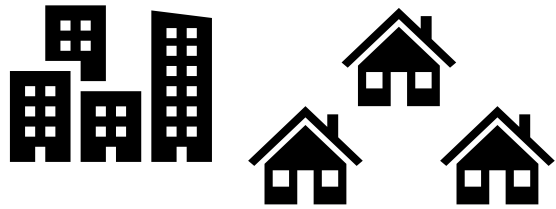
Spend 30% or less of income on housing



Spend more than 30% of income on housing



City's Housing Goals



Create and maintain affordable housing units throughout Dallas



Promote greater fair housing choices



Overcome patterns of segregation and concentrations of poverty through incentives and requirements



Market Value Analysis

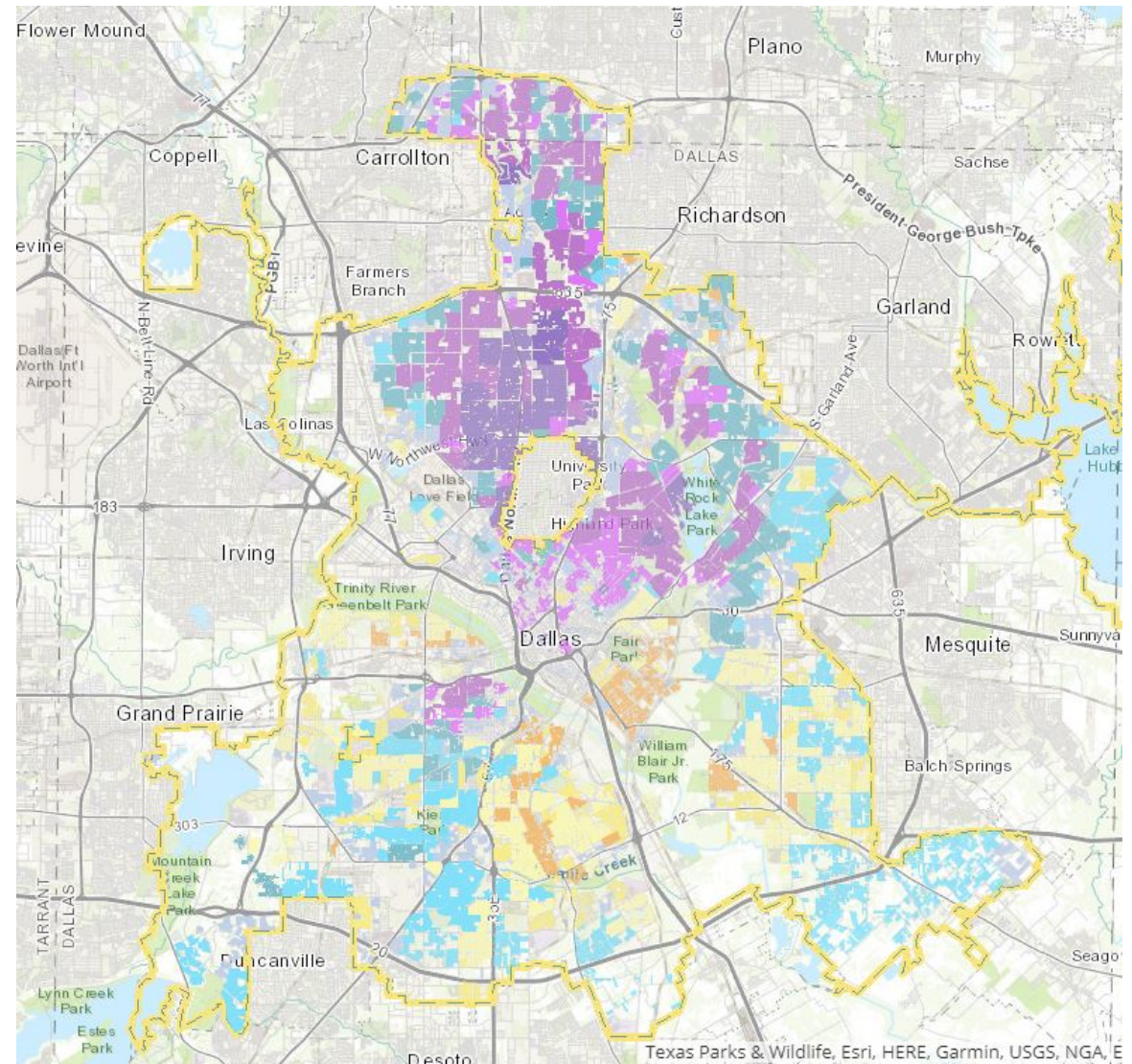


Market Value Analysis (MVA)

- The Market Value Analysis (MVA) is a tool to assist residents and policy-makers understand the elements of their local residential real estate markets.
- It is an objective, data-driven, tool built on local administrative data and validated with local experts.
- Public officials and private actors can use the MVA to more precisely target intervention strategies in weak markets and support sustainable growth in stronger markets.



- 9 Market Types (A through I)
- Coded by Census block group
- 3 main categories:
 - Purple colors represent strong markets
 - Blues represent mid-range markets
 - Yellows represent weak markets



MVA Category	Median Sales Price	Variation Sales Price	Percent Owner Occupied	Percent new Construction	Percent Rehabilitation	Percent Subsidized Units	Percent Code Violations	Percent of Vacant Homes	Percent Foreclosure Filings	Household Density (reference only)
A (29 areas)	\$1,037,300	0.57	81%	2.6%	3.6%	1%	1%	2.4%	>1%	3.0
B (97 areas)	\$463,900	0.48	85%	1.2%	4.4%	2%	>1%	1.2%	>1%	3.7
C (87 areas)	\$390,500	0.40	31%	1.8%	1.2%	4%	1%	1.7%	1%	8.5
D (96 areas)	\$267,100	0.42	69%	0.5%	2.9%	4%	1%	1.8%	>1%	4.9
E (245 areas)	\$140,300	0.32	13%	1.1%	0.3%	13%	2%	2.3%	3%	15.6
F (124 areas)	\$117,600	0.44	73%	0.3%	1.5%	8%	2%	1.8%	3%	5.0
G (61 areas)	\$91,300	0.41	26%	0.4%	0.6%	63%	4%	3.8%	7%	12.3
H (124 areas)	\$72,400	0.55	60%	0.4%	1.3%	8%	6%	3.7%	4%	5.7
I (55 areas)	\$41,500	0.76	46%	0.7%	1.0%	17%	21%	7.5%	5%	7.1
Avg. Dallas Block Group	\$133,300	0.44	48%	0.9	1.6	12%	3%	2.6%	1%	8.5

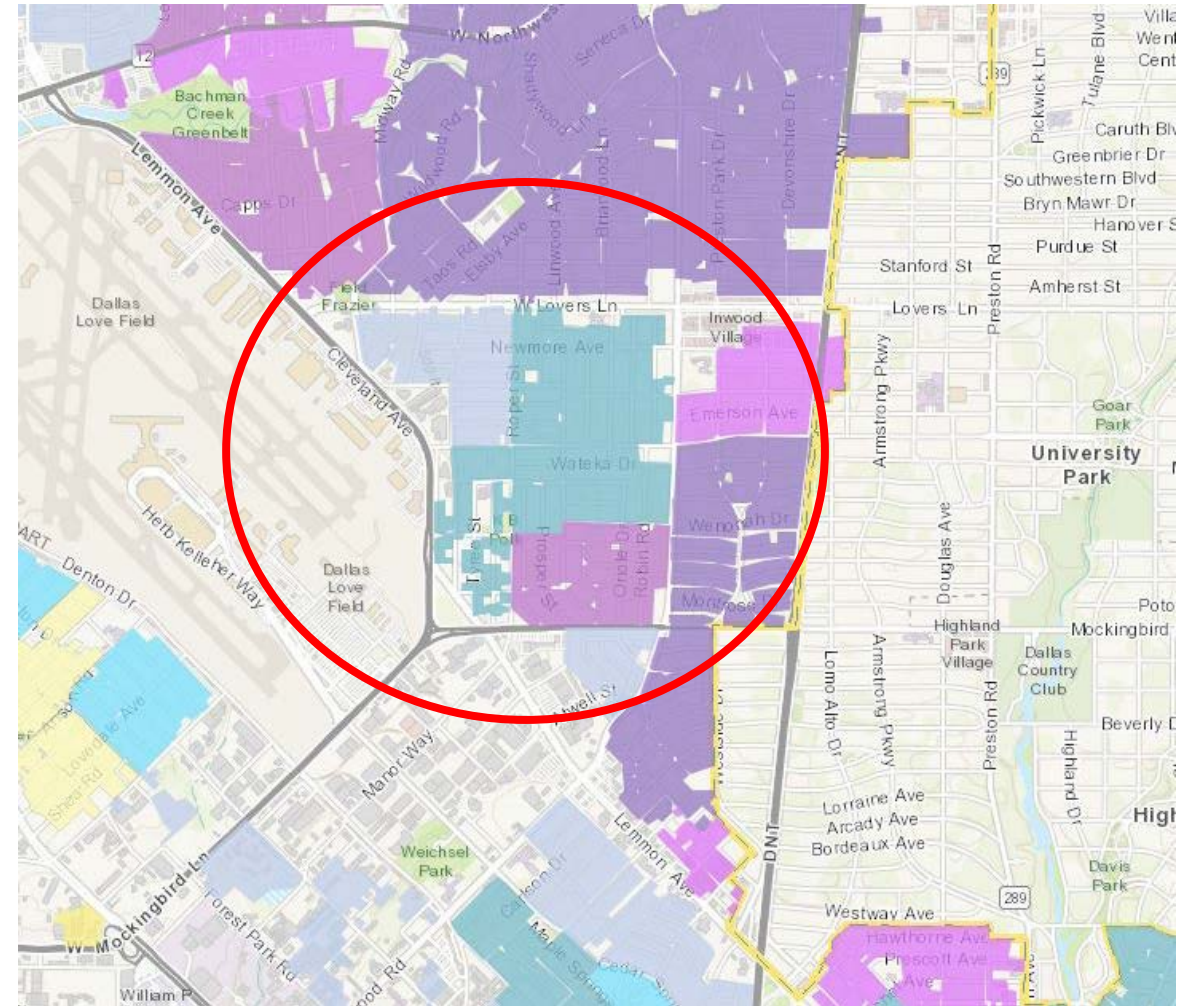


MVA Variables

- *Median Home Sales Price*: This factors in Price to Rent in areas with a high proportion of rental units.
- *Variation Sales Prices*: This represents the coefficient of variance in home sales price.
- *Percent Owner-Occupied*: This represents owner occupied units shown as a percent of total occupied housing units.
- *Percent New Construction*: New construction units shown as a percent of total housing units.
- *Percent Rehabilitation*: Improved or rehabbed Housing units shown as a percent of total housing units.
- *Percent Public Subsidy*: Housing units built with public subsidy or occupied by voucher holders, shown as a percent of total housing units.
- *Percent Code Violations*: Housing units with structural code violations shown as a percent of total housing units.
- *Percent of Vacant Homes*: Vacant housing units shown as a percent of total housing units.
- *Percent Foreclosure Filings*: Housing units with foreclosure filings shown as a percent of total housing units.
- *Household Density*: Shown in units per acre of residential land, this is provided only for reference and was not used in the analysis



Elm Thicket and the MVA



Link to MVA tool

- <https://dallascityhall.com/departments/pnv/Pages/MarketValueAnalysis.aspx>

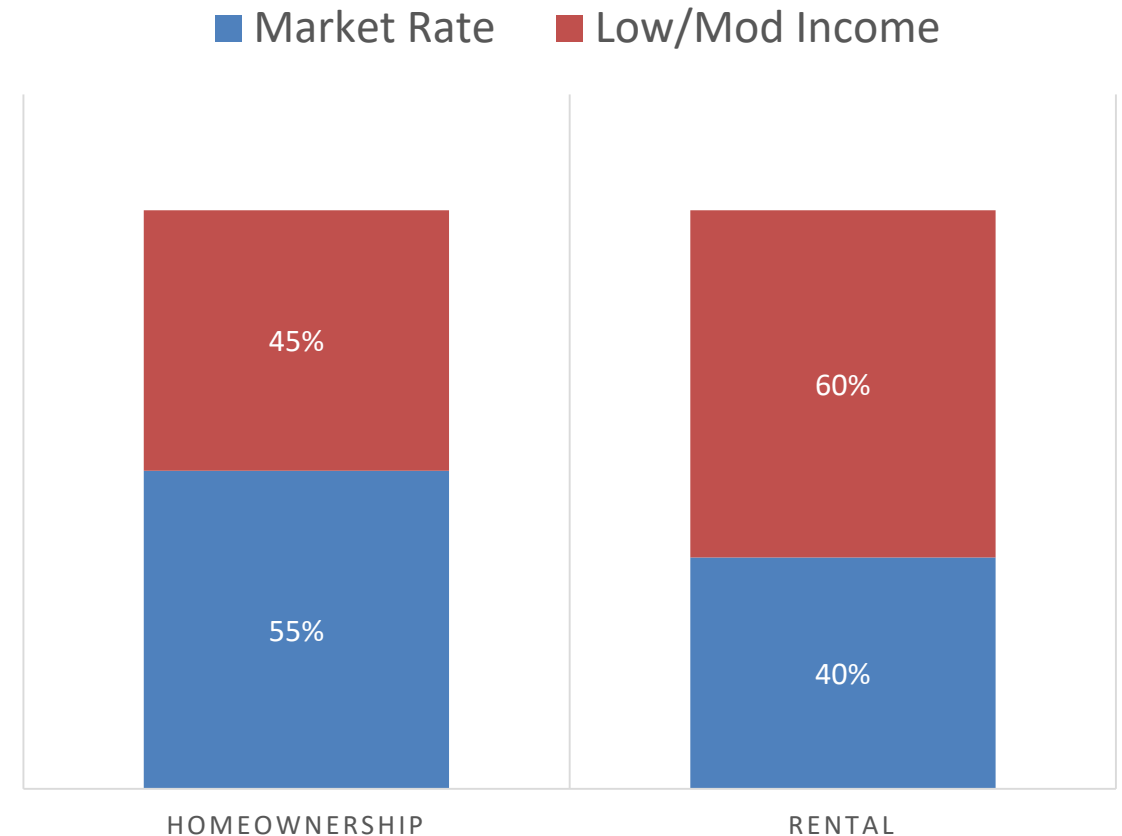


Housing Policy Highlights



Production Goals and Income Bands to be Served

- Create 3733 homeownership units
 - 55% market rate, 45% low/mod-income
- Create 2933 rental units
 - 40% market rate, 60% low/mod-income
- The policy focuses on serving families at 30% to 120% Area Median Income (AMI)



Geographic Focus

Redevelopment Areas (4)

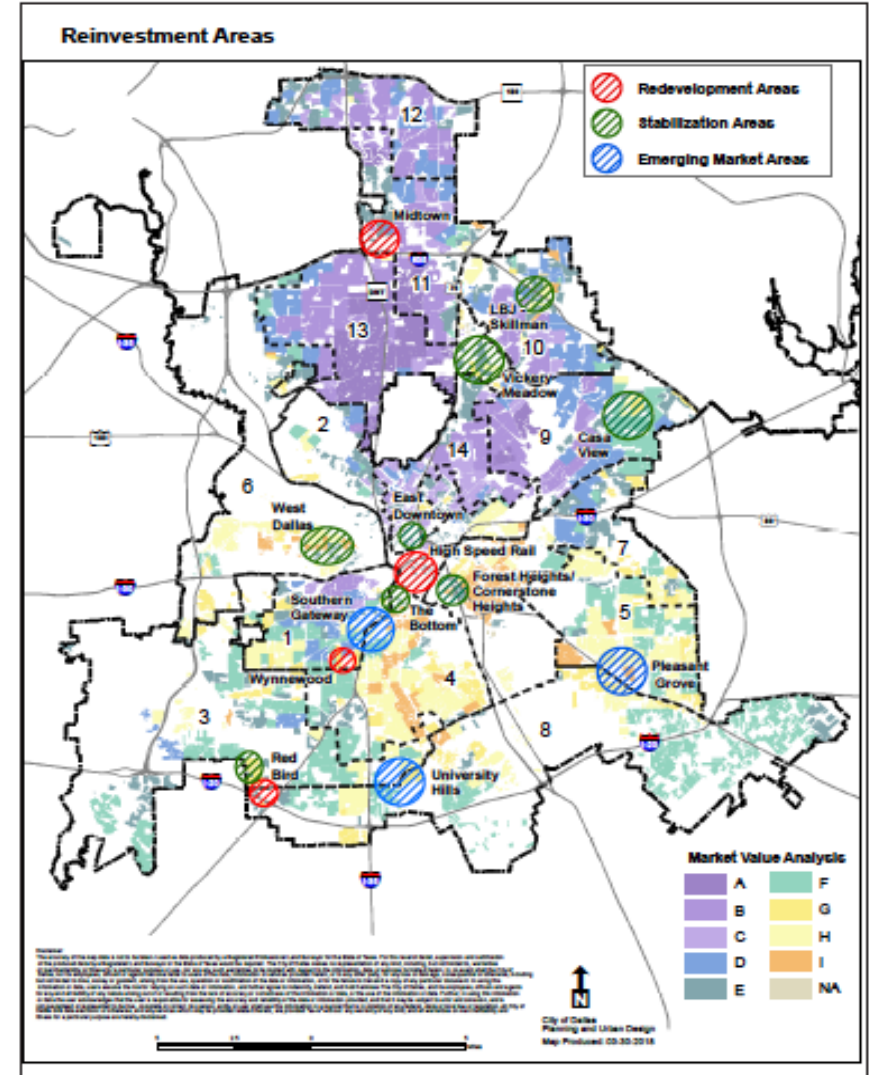
- Catalytic project scheduled to occur within the next 12 months that is supported by a third-party, independent market analysis. Project must include new housing production with affordable units offered for sale or rent to a mix of income bands.

Stabilization Areas (8)

- Weaker real estate markets (G,H,I) surrounded by stronger markets (A-E), and, as such, are at risk of displacement based on market conditions and scheduled redevelopment projects.

Emerging Market Areas (3)

- A blend of middle markets (C,D,E) with mostly G,H,I markets. Needs intensive environmental enhancements, public infrastructure assessments and corrective plans, code enforcement, master planning and formalized neighborhood organizations to be prepared for real estate investment.



Programs, Tools and Strategies



New Development

Strategy:

Incentivize private investment for the development of quality, sustainable housing that is affordable to residents of the City.

- New Construction and Substantial Rehabilitation Program
- Dallas Urban Land Bank Demonstration Program
- Other strategies
 - Code lien foreclosures
 - Infrastructure development
 - Tax increment financing districts
 - Housing trust fund
 - Comprehensive planning
 - Code enforcement sweeps



Other Tools (Council approval needed)

- **Tax Increment Financing (TIF) District**—Staff are in the process of creating a TIF district that will include all of the land within the Reinvestment Strategy Areas. Any new property tax revenue generated within the TIF could be used to create mixed-income housing.
- **Housing Trust Fund**—Staff are in the process of creating a trust fund that will be used as an additional funding source for the creation of mixed-income housing.



Preservation of Existing Housing Stock

Strategy:

Preserve existing housing stock by financing home improvements that address health, safety, accessibility, and structural/deferred maintenance deficiencies; granting tax freezes to owners who make improvements to their properties; and incentivizing developers to preserve affordable housing.

- Home Improvement and Preservation Program
 - Including Rental Rehabilitation and Reconstruction
- Neighborhood empowerment zones & express plan review
- Incentive zoning
- Accessory dwelling units
- Other strategies
 - Community land trusts
 - Homestead preservation districts



Home Improvement and Preservation Program

- Finances home improvements to address health, safety, accessibility, and structural/deferred maintenance deficiencies
- Loans are available to homeowners at or below 60%-120% AMI
- Loans are available to landlords (4 or less rental units on a parcel) who agree to restrict rental of the rehabilitated units to households at 80% or lower AMI

Financing is in the form of a loan

- 0% interest loans to homeowners at or below 60% AMI with payments deferred until sale or move-out of owner
- 0% interest loans to homeowners between 61%-80% AMI with a hybrid repayment structure (monthly payment/partial deferral)
- 3% interest loans to landlords and to homeowners between 81%-120% AMI with monthly payments

- Applicants must meet additional eligibility requirements
- Maximum funding per home is \$215,000; City conducts inspection to determine necessary and eligible repairs



Other Tools (Council approval needed)

- **Neighborhood Empowerment Zone (NEZ)**—Staff are in the process of creating NEZs within each of the Redevelopment and Stabilization Reinvestment Strategy Areas. Within a NEZ, staff can waive development and building fees.
- **Incentive Zoning**—Staff are in the process of drafting a Development Code amendment that would allow developers in low-density districts that already allow small apartments to build marginally larger apartments if they agree to reserve a percentage of units for rental to low- and moderate-income households.
- **Accessory Dwelling Units (ADUs)**—On June 27, 2018, the City Council approved an ordinance amendment that allows homeowners to build and rent ADUs. The amendment requires individual homeowners to seek pre-approval from the Board of Adjustment. Neighborhoods may also seek an ADU overlay.



Direct Assistance

Strategy:

Enable persons to purchase homes within the City by providing direct funding assistance to homebuyers and enable persons using housing vouchers to access quality, sustainable housing throughout Dallas by providing direct assistance to eligible landlords and developers

- Dallas Homebuyer Assistance Program
- Voucher Sublease Program



Dallas Homebuyer Assistance Program

- Loan may be used for principle reduction, down payment, and/or closing costs
- Loans are available to homebuyers between 40%-120% AMI
- Home may be a single-family residence, owner-occupied duplex, or condo

Financing is in the form of a loan

- 0% interest loan with payments deferred until sale or move-out of owner
- Applicants must meet additional eligibility requirements, including having acceptable credit, attend an 8-hour homeownership education class, make at least a \$1000 contribution toward the purchase of the home, home must be code compliant
- City conducts underwriting to determine the necessary amount of funding



Other Program (Council approval needed)

- **Voucher Sublease Program**—Staff are in the process of creating a program that provides a financial incentive to landlords or developers who agree to accept housing vouchers. For landlords, this financial incentive will be in the form of a monthly incentive payment.



Housing Taskforce & Ongoing Public Input and Involvement

Housing Taskforce

- Council approved the creation of a Housing Taskforce with the following committees:
 - Steering, Development Process, Infrastructure, Marketing and Finance and Neighborhood Quality of Life
- All meetings will be open to the public. Meeting dates and agendas will be posted on the Housing & Neighborhood Revitalization website.

Website (*under development*)

- Access the most recent version of the Comprehensive Housing Policy
- Learn more about housing programs and NOFAs
- Find meeting dates and agendas for Housing Taskforce, Land Bank, and Housing Finance Corporation
- Current Housing and Neighborhood Revitalization website:
<http://dallascityhall.com/departments/housing-neighborhood-revitalization/Pages/default.aspx>



Thank You



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<http://dallascityhall.com/departments/housing-neighborhood-revitalization/Pages/default.aspx>

