

Voluntary Inclusionary Zoning

Zoning Ordinance
Advisory Committee
August 3, 2017

Pam Thompson, Senior
Planner, Sustainable
Development and
Construction



City of Dallas

Presentation Overview

- Recap
- Purpose/Approach
- Proposed voluntary inclusionary zoning elements
 - Development bonuses
 - Additional considerations
- Staff recommendation
- Next steps



Recap – Voluntary Inclusionary Zoning

- Inclusionary zoning incentivizes housing at a wide variety of income levels and community benefits. In Texas, it is voluntary.
- On August 16, 2016, the Housing Committee directed staff to initiate the code amendment process for voluntary inclusionary zoning
- HUD, forwardDallas!, and Neighborhood Plus all encourage more housing options, particularly in areas of opportunity.



Recap – Eight Stage Model of Development

- Inception of idea
- Refinement of idea
- Feasibility (pro forma, costs versus income)
- Contract negotiations (land, zoning, GC, etc.)
- Formal commitment (contracts signed)
- Construction (18-24 months)
- Completion and opening
- Property, asset, and portfolio management (stabilize and hold, or stabilize and sell)

*Info from ULI: *Real Estate Development Principles and Process*, 3rd edition.

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Recap – AMFI and Rent Burden

- Area median family income (HUD AMFI) for a family of four in Dallas is \$73,400
- More than **130,000** families across the income spectrum (including more than 20,000 making \$35,000 to \$75,000) are considered rent-burdened, and additional supply at all price levels will help alleviate price pressure
- Because of filtering, more housing at all price points can help alleviate this price pressure.



Recap - Incomes

- 2017 HUD-calculated incomes in terms of % of Dallas AMFI:
 - 60% of AMFI for a couple is \$35,232
 - 100% of AMFI for a family of four is \$73,400

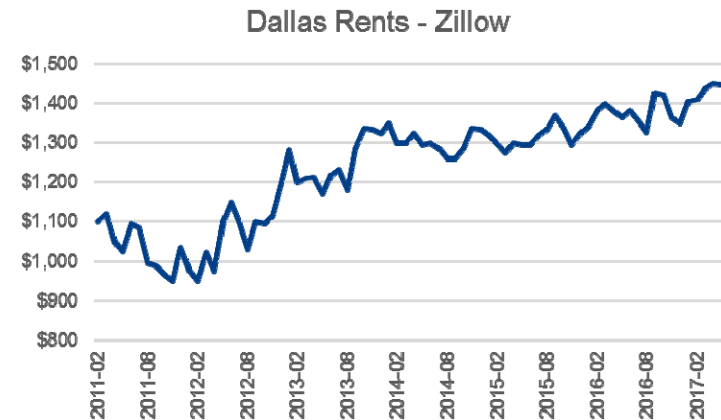
2017 Incomes: 60-100% AMFI			
Household Size	60%	80%	100%
1	\$30,828	\$41,100	\$51,380
2	\$35,232	\$47,000	\$58,720
3	\$39,636	\$52,850	\$66,060
4	\$44,040	\$58,700	\$73,400

Example Salaries	
Barista (median, U.S.)	\$20,280
Retail store assistant manager (median)	\$26,478
Administrative assistant (median)	\$33,467
Plumber (median)	\$40,061
Licensed vocational nurse (median)	\$43,909
Dallas police officer (starting)	\$46,870
DISD teacher (starting)	\$50,000



Recap - Rents

- Per MPF Research Inc., average rent in Dallas has now topped \$1,000 a month, up from \$850 five years ago.
- Zillow Group researchers paint an even more stark picture: median rents for the communities they tracked rose from a low of \$950 to over \$1,400 a month.



Recap – Goal and Objectives

- Neighborhood Plus Goal 6.2: Expand affordable housing options and encourage its distribution throughout the city and region
- Staff recommends that a voluntary inclusionary zoning code amendment:
 - Incentivize additional housing available to families at a wide variety of income levels in a wide variety of locations
 - Encourage urban and pedestrian-oriented mixed-income development with appropriate amenities in targeted areas



Approach

- Staff recommends the following approach for crafting regulations for voluntary inclusionary zoning
 - Review/introduction of background elements
 - ***Discussion of recommended zoning and policy elements***
 - Stakeholder/ZOAC feedback
 - Incorporate additional external research, including the Assessment of Fair Housing and a market value analysis
 - Housing Department projects in progress – results due late summer
 - Meet with other departments to discuss implementation process
 - Final review of recommended zoning and policy elements and ZOAC recommendation to CPC



Voluntary

- Development bonuses under this program are voluntary. If a developer does not want to take advantage of the bonus, he or she can
 - Utilize the existing zoning without the bonus
 - Apply for a zoning change



Potential Development Bonuses

- Allow for increased height and remove minimum lot-size constraints in MF-1 and MF-2 districts
- Allow for additional density and floor area ratio in MU-1 and MU-2 districts.
- Allow parking reductions, such as for residential units with proximity to transit or for larger units designed for families.



Potential Development Bonuses

- Differentiate provision of set-aside units based on whether the property is in a:
 - High opportunity area
 - Racially and ethnically concentrated area of poverty (R/ECAP)
 - Other area
- Additional design standards in line with urban design objectives and complete streets and to complement reduced parking.



Location – High Opportunity & R/ECAP

- High opportunity areas:
 - Dallas Census tracts with a poverty rate of less than 20%
 - In the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education Agency
- Racially and ethnically concentrated areas of poverty
 - Non-white population of 50 percent or more.
 - Poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan area, whichever threshold is lower
- Non-RECAP

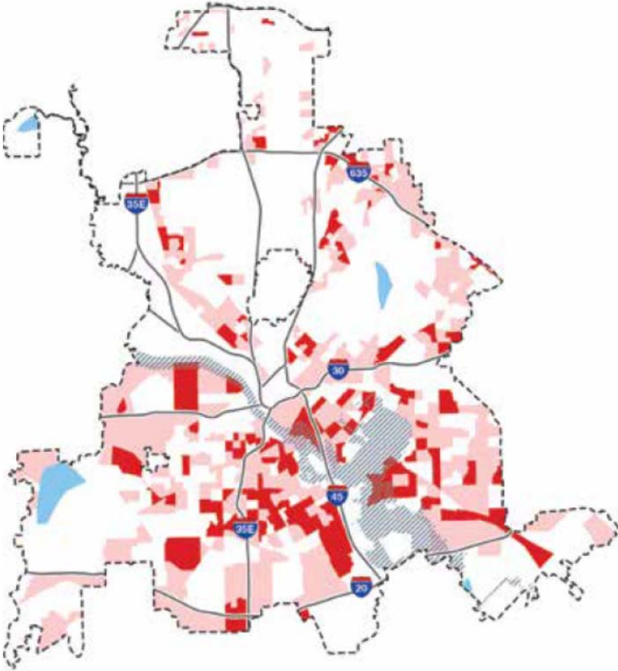
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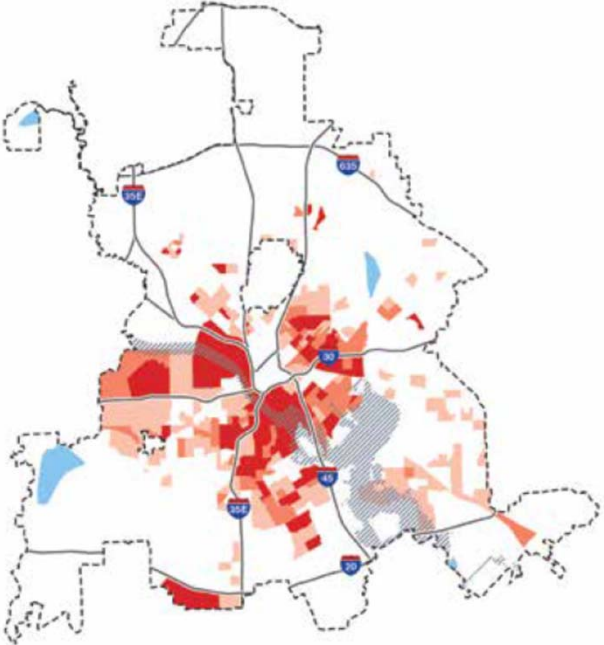
Concentrated Poverty

Areas of Concentrated Poverty



--- City limits
% of Residents Who Live in Poverty
20%-40%
41% and over

Percent of Housing in Poor Condition

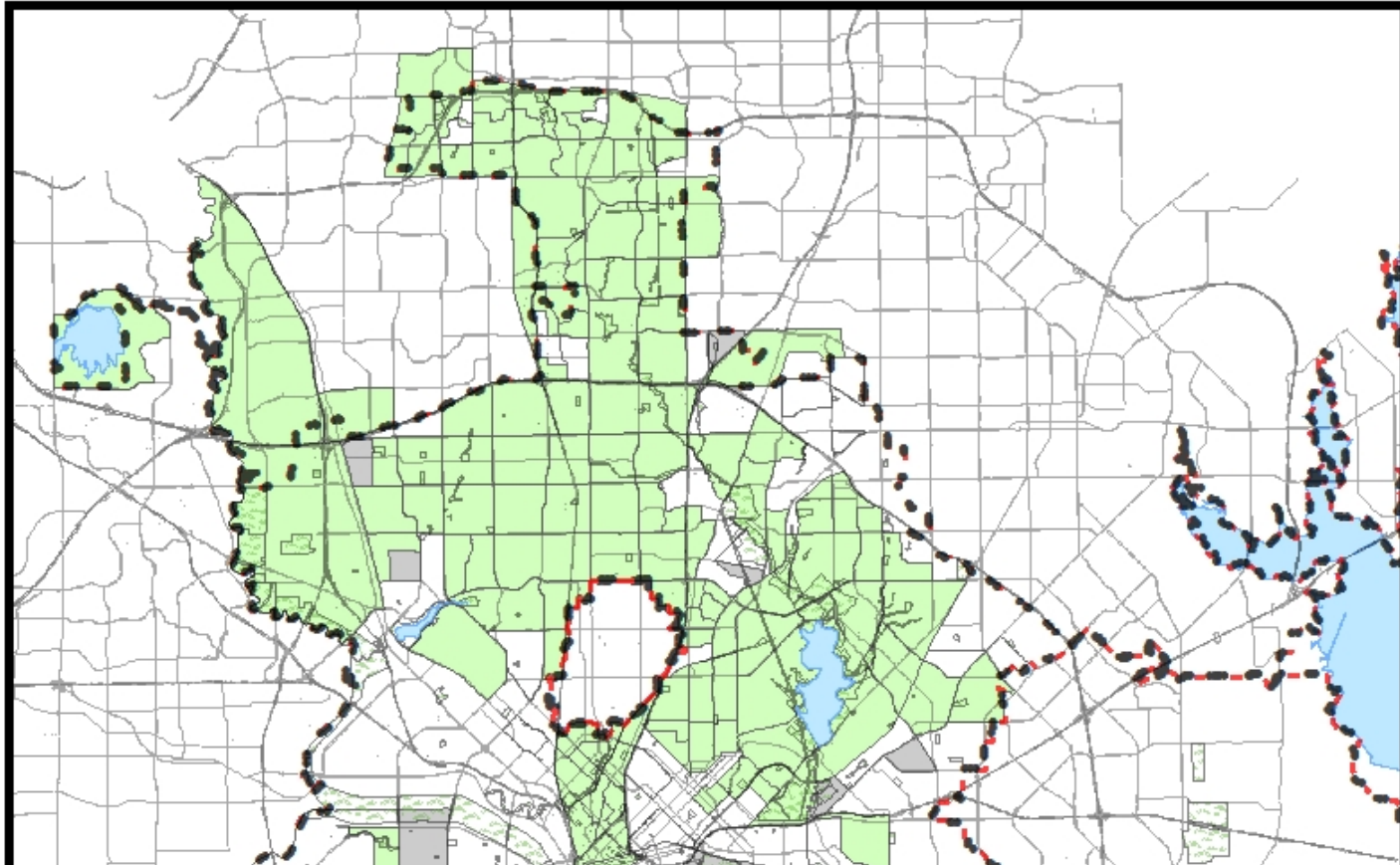


--- City limits
Source: Dallas Central Appraisal District.
6% - 10%
11% - 15%
more than 15%

Source: Neighborhood Plus, October 2015

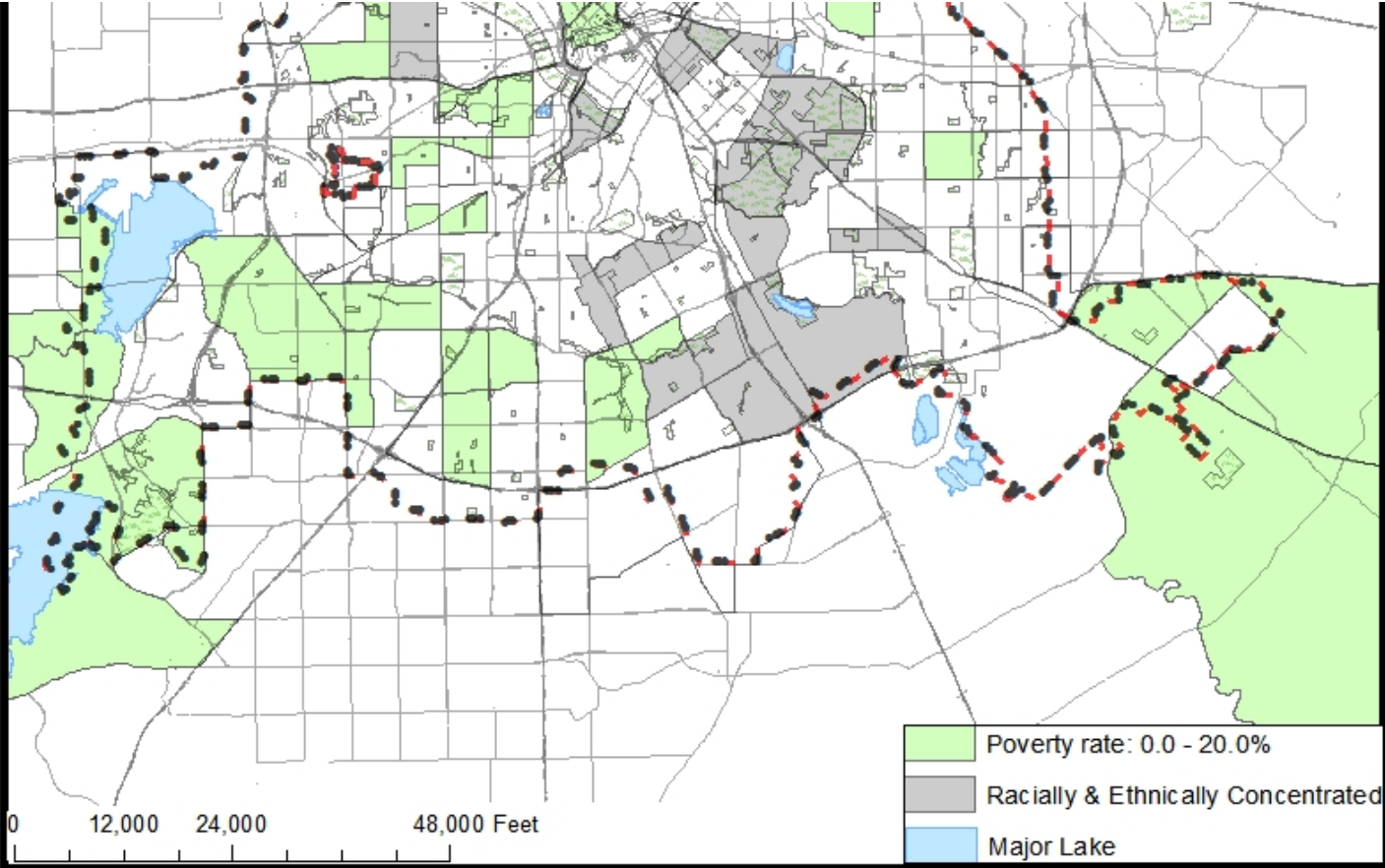


Location – High Opportunity & R/ECAP

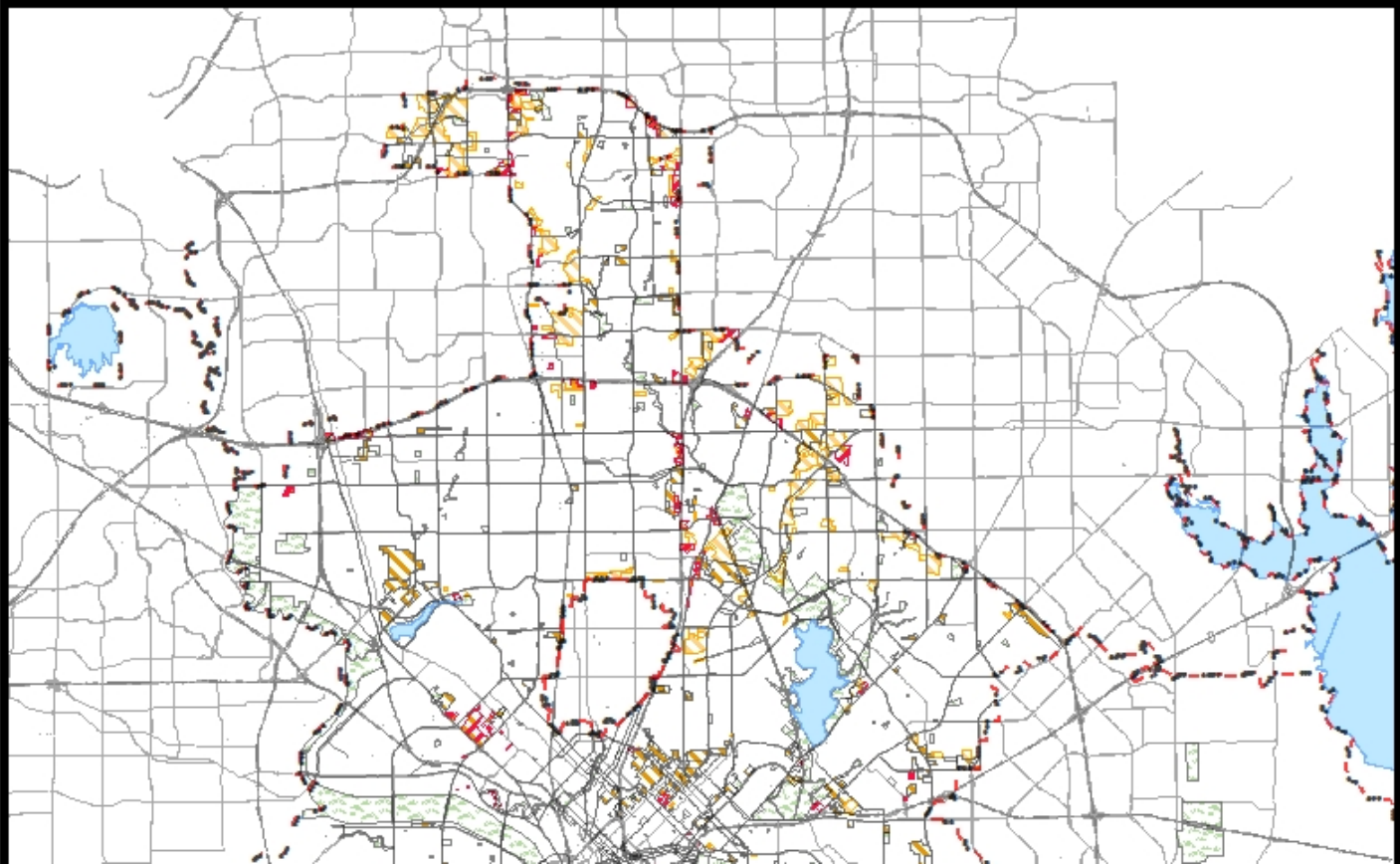


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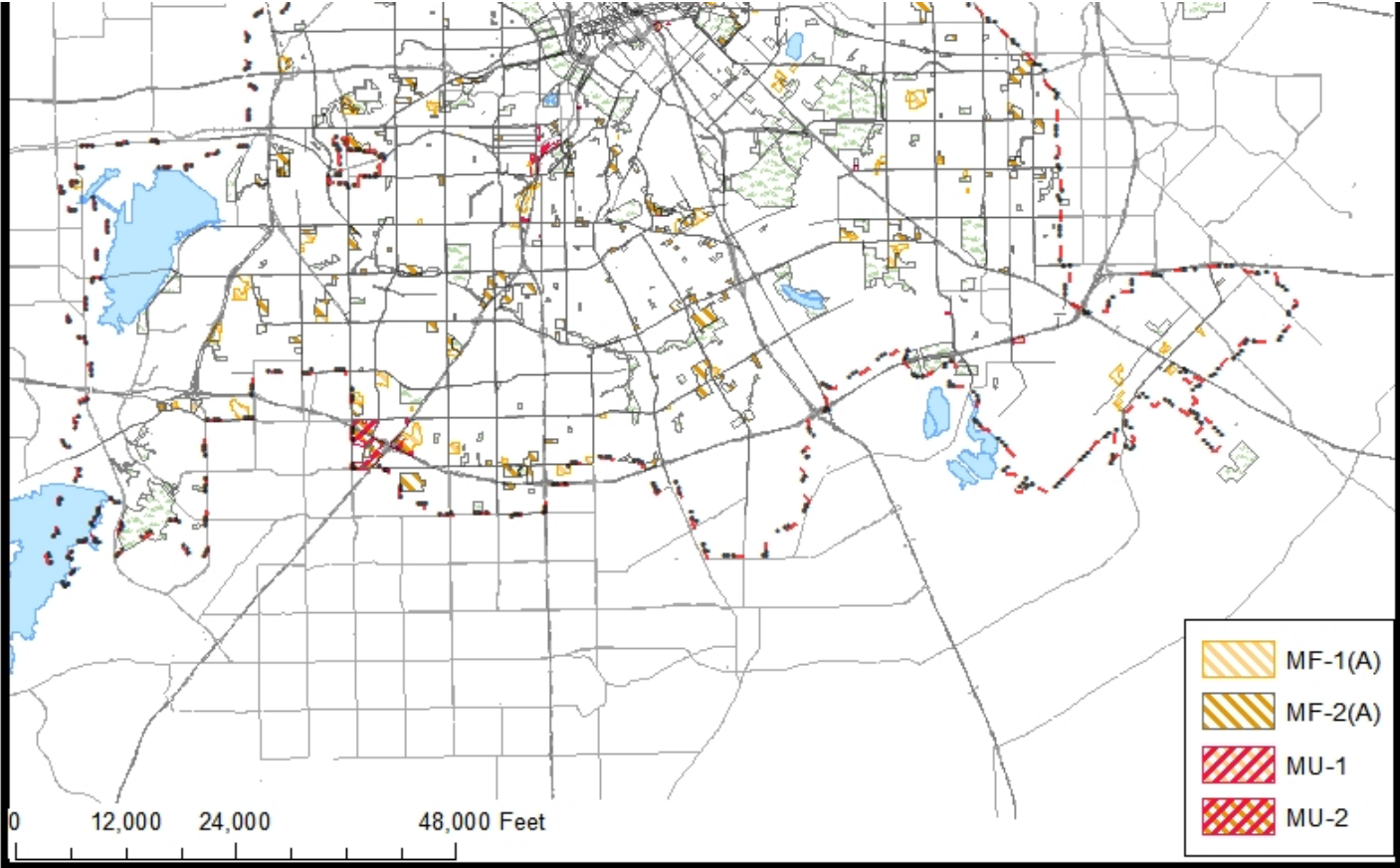
Location – High Opportunity & R/ECAP



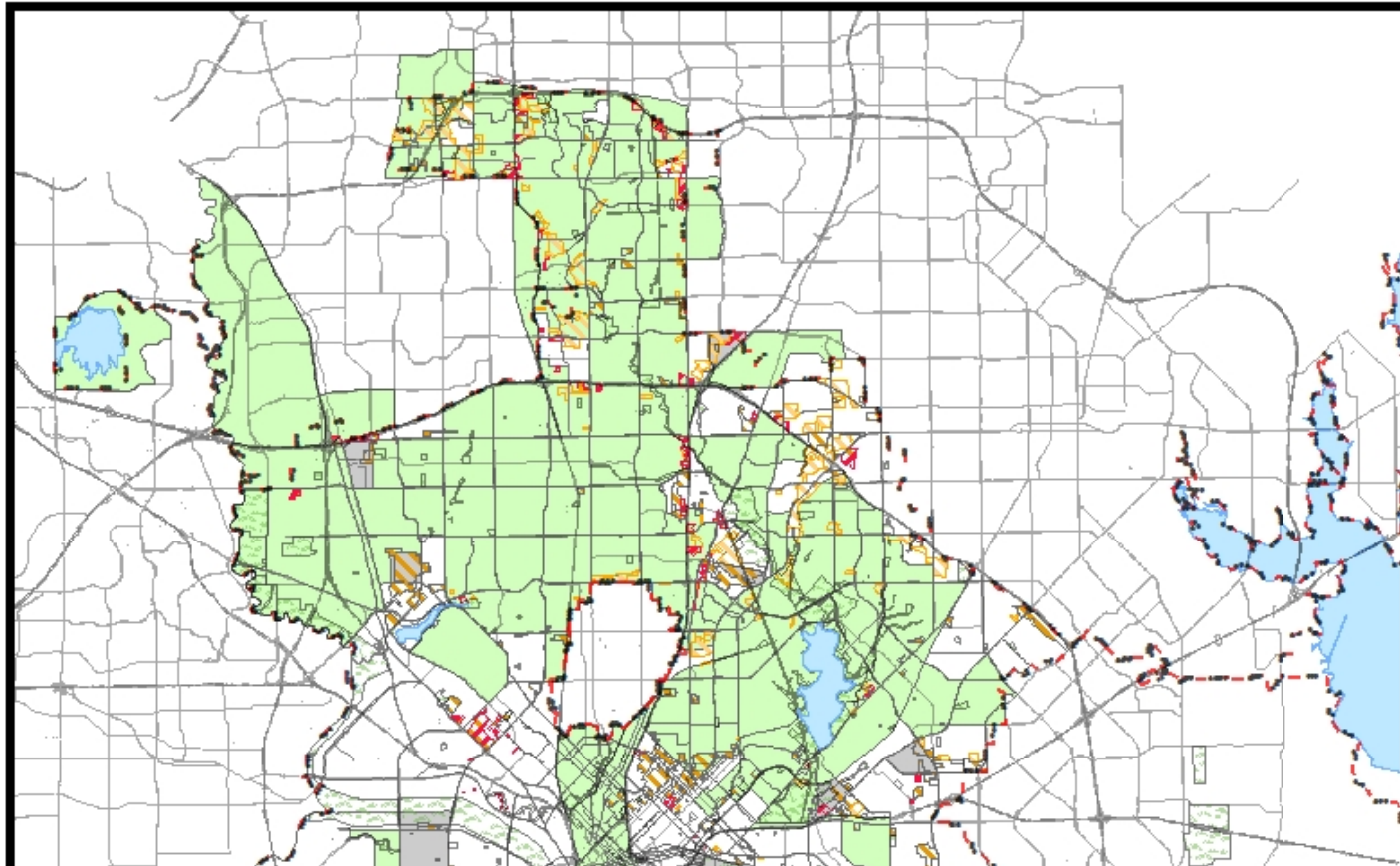
Location – Zoning Districts



Location – Zoning Districts



Location – High Opportunity & Zoning

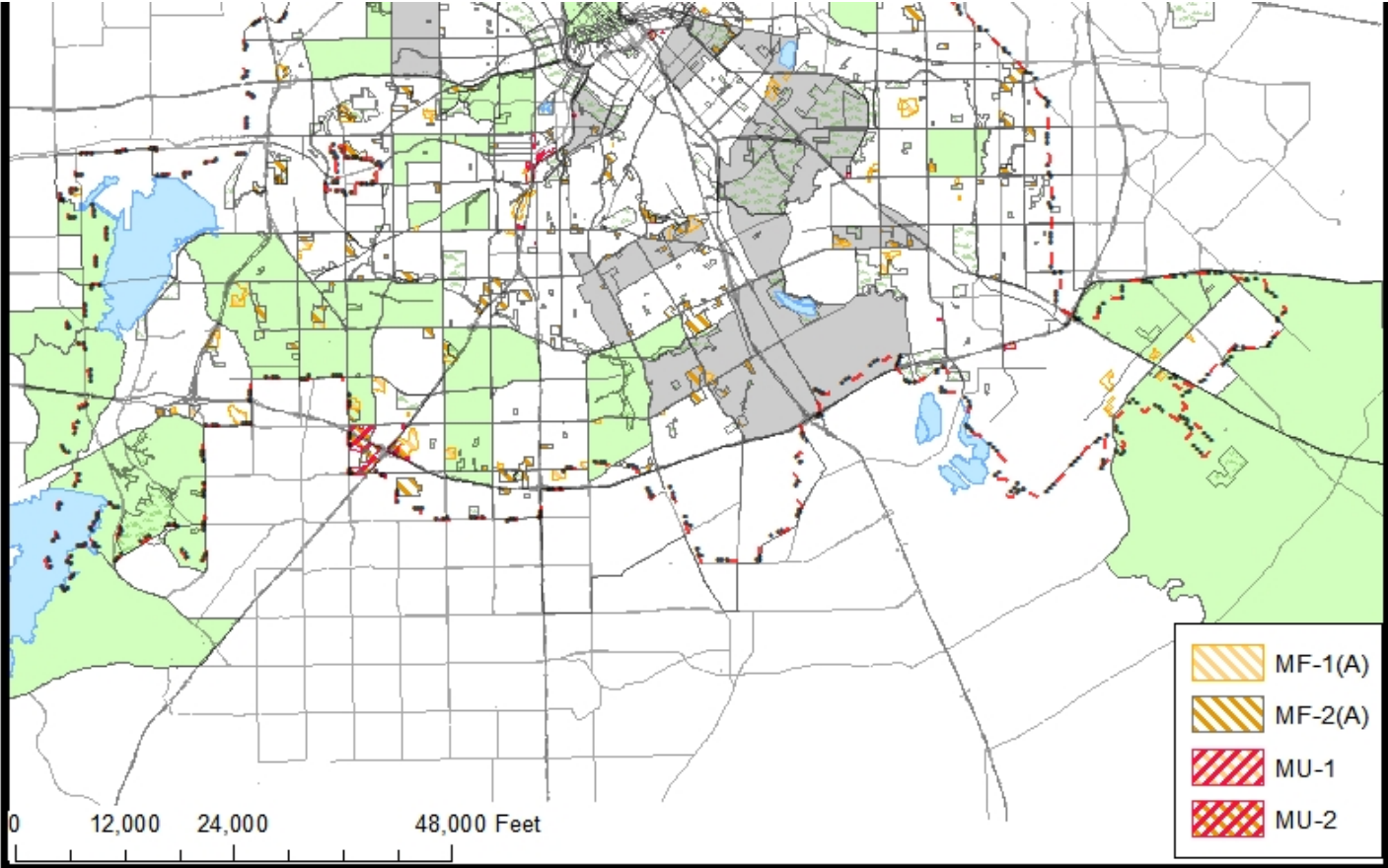


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Location – High Opportunity & Zoning



Recommended Amendments

- Provide development bonuses in multifamily and mixed-use zoning districts for the provision of mixed-income housing.
- Amend existing Standard Affordable Housing(SAH) districts to match changes to standard districts for development bonuses.
- Amend Section 51A-4.900 to update implementation rules for set-aside units.



Community Benefits - Overall

- The main purpose of inclusionary zoning is to provide a wider variety of housing options to a wider variety of people in a wider variety of areas, including areas of high opportunity.
 - Applied to more than 11,000 acres across the city, and at set-asides of 5% to 15%, this code amendment could produce thousands of needed units over time.
 - This potential code amendment offers a market-compatible solution.
- Ensure appropriate buffer from single family



Community Benefits - Design

- Additional design controls can reduce auto dependency, reduce the need for parking, and encourage alternative modes of transit.
 - A King County (the home of Seattle) study of parking utilization rates showed that auto use drops in areas that are designed to encourage other modes of transportation.
- Encourage walkability
 - No parking and only minimal drive aisles in front of the building (between building and street)
 - Ground-floor entrances to open directly to the sidewalk or open space
 - Pedestrian amenities such as wide sidewalks and street trees.
 - Require minimum amount of ground floor transparency and set a maximum allowed blank wall area
 - Only short fences with pedestrian gates allowed.
- Provide a minimum % of the property as open space
 - Intended to provide active or passive recreation, to provide landscaping area, or to enable groundwater recharge, for example. Open space is not intended to be driven or parked upon.

<http://metro.kingcounty.gov/up/projects/right-size-parking/pdf/ite-journal-feb-2013-drowe.pdf>

<http://metro.kingcounty.gov/programs-projects/right-size-parking/pdf/rsp-final-report-8-2015.pdf>

<http://metro.kingcounty.gov/programs-projects/right-size-parking/pdf/140110-rsp-model-code.pdf>

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Incentives – MF-1 and MF-2

MF-1 and MF-2 Districts							
	Current	High opportunity area/TOD			Non-R/ECAP		R/ECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	none required
Setbacks	10-15'	no changes					
Max unit density/acre	none	80	95	120	80	95	95
Floor area ratio	none	no changes					
Height	36'	51'	66'	78'	51'	66'	66'
Max stories	no max	no changes					
Lot coverage (res)	60%	80%	80%	80%	80%	80%	80%
Min lot size unit	varies	remove requirements					
Parking requirements	1 per bedroom.*	1 ¼ space per unit. An additional ¼ space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.					
<p>*Section 51A-4.209 (b) (5) (c) Required off-street parking: One space per bedroom with a minimum of one space per dwelling unit. An additional one-quarter space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.</p> <p>Section 51A-2.102 (9) BEDROOM means any room in a dwelling unit other than a kitchen, dining room, living room, bathroom, or closet. Additional dining rooms and living rooms, and all dens, game rooms, sun rooms, and other similar rooms are considered bedrooms.</p>							



Incentives – MU-1

MU-1 District							
	Current	High opportunity area/TOD			Non-R/ECAP		R/ECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	none required
Setbacks	0-20'	no changes					
Max unit density/acre	15-25	current + 55	current + 65	current + 75	current + 55	current + 65	current + 55
Floor area ratio	1-1.1	current + 1	current + 1.5	current + 2	current + 1	current + 1.5	current + 1
Height	80-120	no change					
Max stories	7-9	no change					
Lot coverage (res)	80%	no change					
Min lot size unit	n/a	no change					
Parking requirements	1 per bedroom.*	1 ¼ space per unit. An additional ¼ space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.					
<p>*Section 51A-4.209 (b) (5) (c) Required off-street parking: One space per bedroom with a minimum of one space per dwelling unit. An additional one-quarter space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.</p> <p>Section 51A-2.102 (9) BEDROOM means any room in a dwelling unit other than a kitchen, dining room, living room, bathroom, or closet. Additional dining rooms and living rooms, and all dens, game rooms, sun rooms, and other similar rooms are considered bedrooms.</p>							



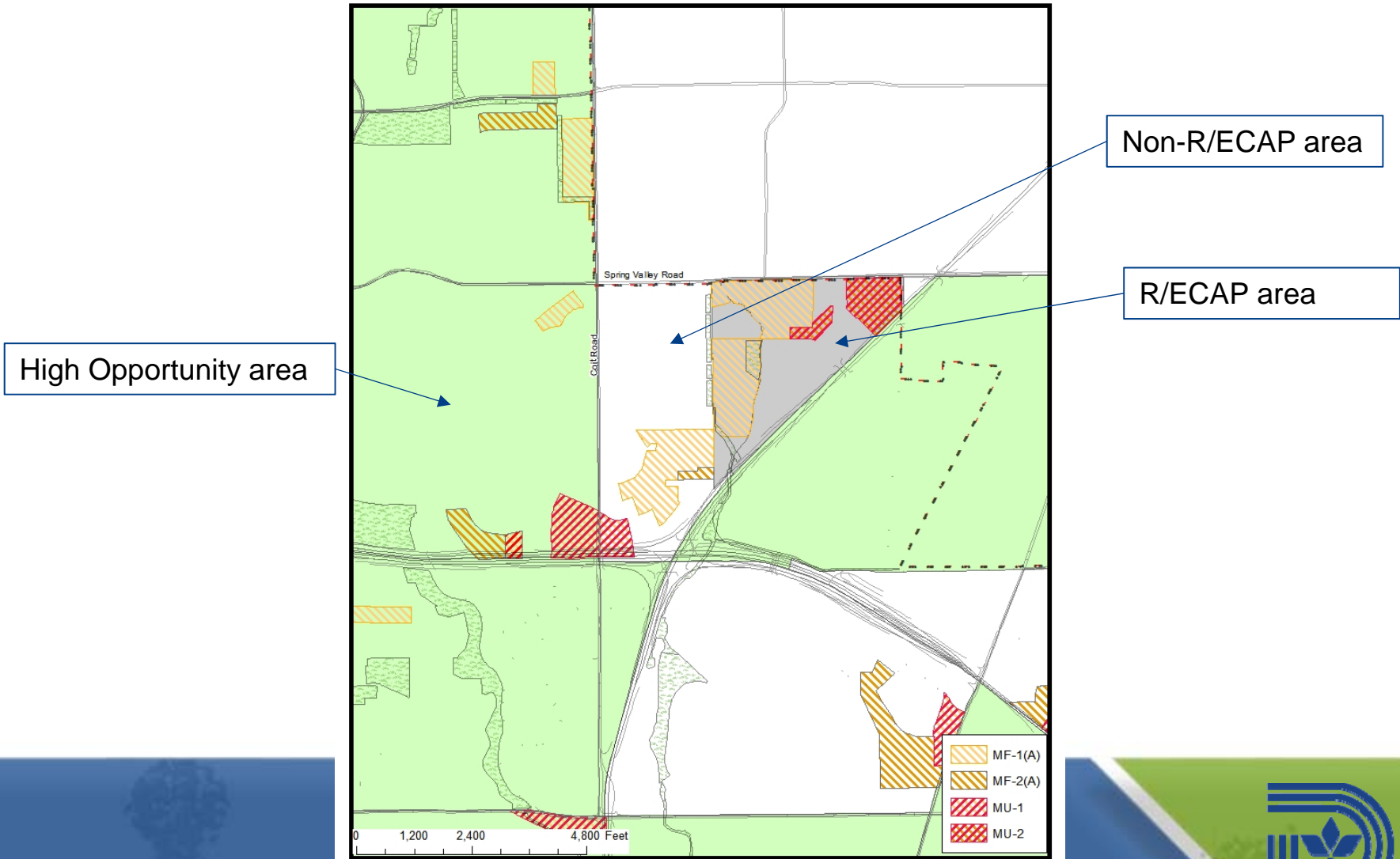
Incentives – MU-2

MU-2 District							
	Current	High opportunity area/TOD			Non-R/ECAP		R/ECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	none required
Setbacks	0-20'	no changes					
Max unit density/acre	50-100	current + 50	current + 60	current + 70	current + 50	current + 60	current + 50
Floor area ratio	2.0-2.25	current + 1	current + 1.5	current + 2	current + 1	current + 1.5	current + 1
Height	135-180	no change					
Max stories	10-14	no change					
Lot coverage (res)	80%	no change					
Min lot size unit	0-20'	no changes					
Parking requirements	1 per bedroom.*	1 ¼ space per unit. An additional ¼ space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.					
<p>*Section 51A-4.209 (b) (5) (c) Required off-street parking: One space per bedroom with a minimum of one space per dwelling unit. An additional one-quarter space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.</p> <p>Section 51A-2.102 (9) BEDROOM means any room in a dwelling unit other than a kitchen, dining room, living room, bathroom, or closet. Additional dining rooms and living rooms, and all dens, game rooms, sun rooms, and other similar rooms are considered bedrooms.</p>							



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Example – Spring Valley/Coit



1:21,489

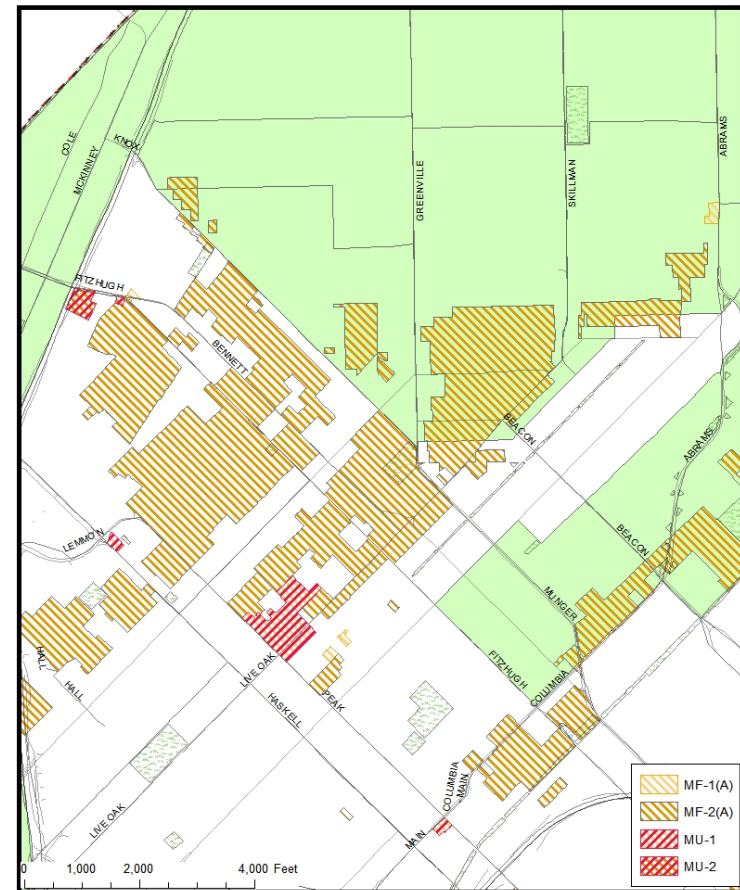
MF-1, MF-1, MU-1, and MU-2

Printed Date: 7/28/2017



Example – East Dallas

- Underutilized parcels
 - low density retail
 - vacant lots
 - aging apartments
 - vacant warehouses
 - surface parking



<https://goo.gl/maps/DcuaPNpdSoG2>

1:18,572

MF-1, MF-1, MU-1, and MU-2

Printed Date: 7/28/2017



Next Up

- Receive feedback from ZOAC and stakeholders
- Revise details of staff recommendation for development bonus based on feedback
- Review changes
- Develop amendments to Section 51A-4.900 (affordable housing implementation)
 - Consult with other departments to ensure commonality across the City



Appendix: Current Zoning - MF-1(A) and MF-2(A)

	MF-1	MF-1 (SAH)	MF-2	MF-2 (SAH)
Minimum front yard	15	15	15	15
Minimum side yard	10	10	10	10
Minimum rear yard	15	15	15	15
Max unit density per acre	-	15-30	-	20-40
Floor area ratio	-	-	-	-
Max height	36	36	36	36
Max stories	-	-	-	-
Max lot coverage (%)	60	60	60	60
Min lot size per unit	1,000-1,800	1,000-1,800	800-1,200	800-1,200

*SAH – Standard Affordable Housing – approximately 20 locations throughout Dallas; Districts created in response to the now-expired Walker Consent Decree.



Appendix: Current Zoning - MU-1 and MU-2

	MU-1	MU-1 (SAH)	MU-2	MU-2 (SAH)
Minimum front yard	15	15	15	15
Minimum side yard	0-20	0-20	0-20	0-20
Minimum rear yard	0-20	0-20	0-20	0-20
Max unit density per acre	15-25	10-25	50-100	30-100
Floor area ratio	0.8-1.1	0.8-1.1	1.6-2.25	1.6-2.25
Max height	80-120	80-120	135-180	135-180
Max stories	7-9	7-9	10-14	10-14
Max lot coverage (%)	80	80	80	80

*SAH – Standard Affordable Housing – approximately 20 locations throughout Dallas; Districts created in response to the now-expired Walker Consent Decree.



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Pam Thompson
Senior Planner
Sustainable Development
and Construction
Pam.Thompson@dallascityhall.com

<http://dallascityhall.com/departments/sustainabledevelopment/planning/Pages/Code-Amendments.aspx>



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