

Memorandum



CITY OF DALLAS

DATE November 8, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **Housing Policy Fiscal Year 2020 Workplan Priorities**

This memo addresses questions raised during the Housing and Homelessness Solutions Committee Briefing on November 5, 2019 regarding the program funding sources, amounts and benefits of Housing Policy Workplan Priorities for FY20.

Summary

Councilmember Kleinman requested additional details on the Comprehensive Housing Policy Overview briefing to make more informed decisions on the FY20 Workplan Priorities. This memo and attachment address the requests made. Staff responses are provided in the form of a list of approved, in progress and future programs, tools, strategies, cost, and benefit information.

Housing Staff created a spreadsheet that identifies each program/policy. It itemizes its respective funding source, funding amount, cost per unit, benefit and production timeline to assist the committee setting prioritizing.

The attached spreadsheet addresses the following:

Funding sources have been listed for all approved programs, tools and strategies and it should be noted that some programs and policies do not have a funding source but are being developed by Housing Staff, these are listed as n/a. TBD is used for programs and policies still under development.

Funding amount has been rounded up, and if a program provides a waiver, or other discount it is listed as Revenue Foregone, or Revenue Neutral. Some programs / policies say depends on project as the amount of funding depends on unit mix, AMFI mix and other variables. TBD is used for programs and policies still under development.

Cost per unit has been indicated per program guidelines and TBD is used for programs and policies still under development.

Benefit has been summed in to be as concise as possible. Each program / policy is intended to support other programs / policies.

Timing / Expected Production is still under development as most of the programs /policies are recent and need more time to study the production capability. TBD is used for programs and policies still under development.

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To fully understand the fiscal and production impact of each program, tool, and strategy, Housing Staff will work to conduct the research. The development of each product can take anywhere from 3 to 12 months depending on the complexity of program, tool, strategy, and the availability of funding.

Should you have any questions, please contact David Noguera, Director of Housing and Neighborhood Vitalization at 214-670-3619.



Michael Mendoza
Chief of Economic Development and Neighborhood Services

Attachments

PDF Spreadsheet of Housing Program Funding Sources

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
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Directors and Assistant Directors

Housing & Neighborhood Revitalization Department

As of November 5, 2019

Approved Programs, Tools & Strategies	Funding Source	Funding Amount	Cost Per Unit	Benefit	Timing/expected production
Dallas Homebuyer Assistance Program (DHAP)	CDBG/HOME	\$2.5M/\$767k	up to \$40k - if High Opp up to \$60k	Aligns with CHP goals - provides down payment assistance	~45 units this year
Mixed Income Housing Development Bonuses	n/a	revenue neutral	n/a	Mixed income housing at no additional cost to city	new program
New Construction and Substantial Rehabilitation Program	HOME/CDBG	\$4.8M/\$500k	Depends on project; CHP contains per/unit subsidy limits	Incentivizes development/preservation of affordable housing through long-term, low interest loans	~95 units this year
Housing Tax Credits	TDHCA	revenue neutral	City may choose to provide subsidy, but not obligated to	Investor equity to subsidize affordable housing production	depends on project
Accessory Dwelling Units	n/a	revenue neutral	n/a	Allows for greater density and affordable housing with a smaller footprint	new program
Home Improvement and Preservation Program (HIPP)	CDBG/General Funds	\$4.5M/\$1.5 mil	up to \$40k for repairs (greater if home is reconstructed)	Affordable housing preservation + equity building for family	re-opened 11/4/2019
Land Transfer Program	n/a	revenue foregone	n/a	Incentivizes development of affordable housing by reducing development costs	new program
Title Clearing Pilot Program	General funds	\$200,000	~\$1,500 per title	Marketable title, leading to home repair, home sales, generational wealth, etc.	new program
Park Land Dedication Fee Waiver	n/a	revenue foregone	\$762 per unit for Single Family - other \$ per unit for other typologies	Incentivizes development of affordable housing by reducing development costs	new program
Urban Land Bank Demonstration Program	GO Bonds/DHADC revenue	\$1.5M/\$223k	~\$5,000	Incentivizes development of affordable housing by reducing development costs	~150 this year

In Process Policy / Programs	Funding Source	Funding Amount	Cost Per Unit	Benefit	Timing/expected production
Public Facilities Corporations	n/a	revenue foregone	depends on project scale and need	Tax exemption on life of project	future Council review
Designation of Community Land Trusts	n/a	revenue foregone	depends on resale formula and deed restriction	Incentizes long-term housing affordability through reduced property tax assessments	future Council review

Residential Neighborhood Empowerment Zones	TBD/Housing Trust Fund	TBD	Up to 15k in development fees reimbursed per home; ~\$10,000 lost revenue over 10 years per home	Home repairs on existing affordable homes and new affordable homes on currently vacant lots; potential for fewer code liens.	future Council review
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Future Programs, Tools & Strategies	Funding Source	Funding Amount	Cost Per Unit	Benefit	Timing/expected production
Dallas Tomorrow Fund	Dallas Tomorrow Fund	\$500k/yr	up to \$20k	Assist homeowners who can not afford to correct code violations	TBD
Neighborhood Revitalization Strategy Areas (NRSA)	n/a	TBD	TBD	focus areas of affordable housing production	TBD
Non-contiguous TIF District	n/a	TBD	TBD	allow for funding affordable units	TBD
Homestead Preservation Districts	n/a	TBD	TBD	allow City to incentivize the development and preservation of affordable housing	TBD
Voucher Sublease Program	n/a	TBD	TBD	incentivizes landlords to accept vouchers	TBD
Affordable Housing Unit Online Portal	TBD	TBD	TBD	Helps households locate available affordable housing units	TBD
Tenant Rights/Relocation Ordinance	TBD	TBD	TBD	address housing instability	TBD
Targeted Home Repair	Equity Fund	TBD	TBD	align rehab with other tools - preserve affordability + equity building	TBD

Potential Policies / Programs	Funding Source	Funding Amount	Cost Per Unit	Benefit	Timing/expected production
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Single Family / Multifamily

NOFA Process Review	n/a	TBD	TBD	review and refine process for next round	TBD
Fee in Lieu / Amend 20A-4.1	TBD	TBD - Consultant to assist	TBD	Allow for developers to pay fee to offset development cost instead of building onsite affordable units	TBD
Expedited Process for Housing with price point \$250-350k	TBD	TBD	TBD	focus on middle market housing incentive	TBD
SF Zoning Bonus with resale formula	n/a	TBD	TBD	allow for greater density while ensuring long term affordability	TBD
Small lot SF zoning	n/a	TBD	TBD	allow for smaller thus lower cost units as affordable approach	TBD

Neighborhood Investment

Infrastructure Investment	TBD	TBD	TBD	offset cost of development to make affordable unit production easier	TBD
TOD ID/zoning analysis	TBD	TBD	TBD	allow for proper unit mix closer to transit	TBD
Affordability Preservation					
Mobile Home research	n/a	TBD	TBD	mobile homes are considered the best affordable option but loose appreciation quickly	TBD
Tiny Homes	n/a	TBD	TBD	smaller footprint housing may be less expensive to produce	TBD
ADU - "opt out" / financing	TBD	TBD	TBD	support more density and smaller affordable housing	TBD
Burdened loans assistance	TBD	TBD	TBD	assist families with predatory loans	TBD
Update Fair Housing Review Form	CDBG	TBD - Consultant to assist	TBD	make sure form is efficient and effective	TBD
Funding / Supporting Actions					
Housing voucher analysis	TBD	TBD - Consultant to assist	TBD	explore best use of vouchers	TBD
Review federal and state funding	n/a	TBD	TBD	review that all sources are being tapped into	TBD
Additional land repurpose tools	n/a	TBD	TBD	continue to add to the toolbox	TBD
Legislative agenda	n/a	TBD	TBD	advocate for changes that create barriers to affordable housing production and preservation	TBD
Marketable housing certificate	TBD	TBD	TBD	explore new system for market-based approach to affordable housing production	TBD