



Audit of Housing Inventory

October 31, 2023

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Executive Summary

Objective and Scope

The objectives of this audit were to answer the following questions.

- 1) What is the number of single-family housing units in the City?
- 2) What is the number of multi-family housing units in the City?
- 3) What is the three-year average of additions and reductions for single-family housing units?
- 4) What is the three-year average of additions and reductions for multi-family housing units?

The scope of the audit was October 1, 2016, through September 30, 2022.

Recommendations

Management should:

- Assign responsibility for maintaining and reporting the City's housing units' data.
- Establish the City's definitions for the terms "single-family housing unit" and "multi-family housing unit."
- Assign responsibility for calculating and monitoring the City's housing affordability index.

Background

The City of Dallas (City) housing inventory is regularly noted in briefings to City Council committees and to the full City Council, and in media reports and articles. The numbers noted are generally not the same. As a result, City Council requested the questions noted in the [Objective and Scope](#) section be answered. See the [Objectives and Conclusions](#) section for the answers.

Observed Conditions

Number of Housing Units Between 2016 and 2022

Unit Type	2016	2022	Increase/ Decrease
Single-Family	290,815	285,673	-5,142
Multi-Family	223,644	279,694	56,050
Total Units:	514,459	565,367	50,908

The City experienced a decrease of 5,142 units, or 1.77 percent, from Year 2016 through Year 2022 in the number of single-family housing units and an increase of 56,050 housing units, or 25.06 percent, from Year 2016 through Year 2022 in the number of multi-family housing units.

There are 19 City departments, offices, and boards and commissions who directly or indirectly, utilize, depend, make management or citizenry decision, or export data related to housing units. The City, however, does not have a department responsible for: identifying the number of housing units; defining a "single-family housing unit" and a "multi-family housing unit;" and, monitoring the City's housing affordability index.

Objectives and Conclusions

Objective 1: What is the number of single-family housing units in the City?

The City has experienced a **decrease of 5,142 units or 1.77 percent in the number of single-family housing units when measured from Year 2016 through Year 2022**. A single-family house was identified as a: condominium, duplex,¹ mobile home, modular home, single-family, or townhouse. See [Exhibit 1](#) for a detailed breakdown of single-family housing units from Year 2016 through Year 2022.

Exhibit 1:

Single-Family Housing Units by Year

Description	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022
Condominium	35,914	35,025	35,571	34,994	34,024	35,934	35,101
Duplex	17,138	16,868	17,054	16,716	16,142	16,998	16,576
Mobile Home	4,114	4,338	4,421	4,500	4,550	4,556	4,573
Modular Home	146	140	136	136	130	139	128
Single-Family	226,521	224,361	226,070	222,731	219,932	226,765	221,190
Townhome	6,982	7,019	7,350	7,360	7,479	8,037	8,105
Totals:	290,815	287,751	290,602	286,437	282,257	292,429	285,673

Source: Information for Exhibits 1 – 4G tables were derived from information provided by the Data Analytics and Business Intelligence Department, Dallas County Appraisal District, Collin County Appraisal District, and Denton County Appraisal District.²

¹ Duplexes for this audit were counted as two units.

² See the [Methodology](#) section for detailed information.

Objective 2: What is the number of multi-family housing units in the City?

The City has experienced an **increase of 56,050 housing units, or 25.06 percent, from Year 2016 through Year 2022 in the number of multi-family housing units**. This equated to an increase of 119 multi-family complexes, or 3.92 percent. A multi-family house was identified as a: triplex, fourplex, or apartment. See [Exhibit 2](#) and [Exhibit 2A](#) for a detailed breakdown of multi-family housing units from Year 2016 through Year 2022.

Exhibit 2:

Multi-Family Housing Units by Year

Description	Year	Housing Units	Increase or Decrease from Previous Year	Increase or Decrease in Percentage
Multi-Family Housing by Units	2016	223,644	-----	-----
	2017	235,221	11,577	5.18
	2018	279,097	43,876	18.65
	2019	279,716	619	0.22
	2020	282,569	2,853	1.02
	2021	283,444	875	0.31
	2022	279,694	-3,750	-1.32

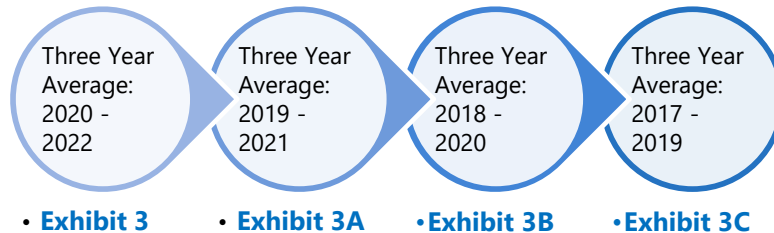
Exhibit 2A:

Multi-Family Housing Units by Complexes

Description	Year	Complexes	Increase or Decrease from Previous Year	Increase or Decrease in Percentage
Multi-Family Housing Unit by Complexes	2016	3,038	-----	-----
	2017	2,987	-51	-1.68
	2018	3,154	167	5.59
	2019	3,179	25	0.79
	2020	3,172	-7	-0.22
	2021	3,151	-21	-0.66
	2022	3,157	6	.19

Objective 3: What is the three-year average of additions and reductions for single-family housing units?

See Exhibits 3 through 3C for a detailed breakdown of single-family housing units from Year 2016 through Year 2022. The graphic below links each Exhibit with a three-year average.



With 2019 being the base year, the total number of single-family housing units decreased by 764 units from Year 2019 through Year 2022. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 255 units, or 0.055 percent, within the City when averaged from Year 2019 through Year 2022.**

Exhibit 3:

Average Change in Single-Family Housing Units by Year for 2020 through 2022

Description	Base Year 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Year 2022	Increase or Decrease from Year 2021 to 2022	Three Year Average 2020-2022
Condominium	34,994	34,024	-970	35,934	1,910	35,101	-833	36
Duplex	16,716	16,142	-574	16,998	856	16,576	-422	-47
Mobile Home	4,500	4,550	50	4,556	6	4,573	17	24
Modular Home	136	130	-6	139	9	128	-11	-3
Single-Family	222,731	219,932	-2,799	226,765	6,833	221,190	-5,575	-514
Townhome	7,360	7,479	119	8,037	558	8,105	68	248
Total:	286,437	282,257	-4,180	292,429	10,172	285,673	-6,756	-255

With 2018 as the base year, the total number of single-family housing units increased by 1,827 units from Year 2018 through Year 2021. This resulted in a **three-year average increase of additions and reductions for single-family housing units by 609 units, or 0.24 percent, within the City when averaged from Year 2019 through Year 2021.**

Exhibit 3A:

Average Change in Single-Family Housing Units by Year for 2019 through 2021

Description	Base Year 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Three Year Average 2019-2021
Condominium	35,571	34,994	-577	34,024	-970	35,934	1,910	121
Duplex	17,054	16,716	-338	16,142	-574	16,998	856	-19
Mobile Home	4,421	4,500	79	4,550	50	4,556	6	45
Modular Home	136	136	0	130	-6	139	9	1
Single-Family	226,070	222,731	-3,339	219,932	-2,799	226,765	6,833	232
Townhome	7,350	7,360	10	7,479	119	8,037	558	229
Total:	290,602	286,437	-4,165	282,257	-4,180	292,429	10,172	609

With 2017 as the base year, the total number of single-family housing units decreased by 5,494 units from Year 2017 through Year 2020. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 1,831 units, or 0.63 percent, within the City when averaged from Year 2018 through Year 2020.**

Exhibit 3B:

Average Change in Single-Family Housing Units by Year for 2018 through 2020

Description	Base Year 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Three Year Average 2018-2020
Condominium	35,025	35,571	546	34,994	-577	34,024	-970	-334
Duplex	16,868	17,054	186	16,716	-338	16,142	-574	-242
Mobile Home	4,338	4,421	83	4,500	79	4,550	50	71
Modular Home	140	136	-4	136	0	130	-6	-3
Single-Family	224,361	226,070	1,709	222,731	-3,339	219,932	-2,799	-1,476
Townhome	7,019	7,350	331	7,360	10	7,479	119	153
Total:	287,751	290,602	2,851	286,437	-4,165	282,257	-4,180	-1,831

With 2016 as the base year, the total number of single-family housing units decreased by 4,378 units from Year 2016 through Year 2019. This resulted in a **three-year average decrease of additions and reductions for single-family housing units by 1,459 units, or 0.50 percent, within the City when averaged from Year 2017 through Year 2019.**

Exhibit 3C:

Average Change in Single-Family Housing Units by Year for 2017 through 2019

Description	Base Year 2016	Year 2017	Increase or Decrease from Year 2016 to 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Three Year Average 2017-2019
Condominium	35,914	35,025	-889	35,571	546	34,994	-577	-307
Duplex	17,138	16,868	-270	17,054	186	16,716	-338	-141
Mobile Home	4,114	4,338	224	4,421	83	4,500	79	129
Modular Home	146	140	-6	136	-4	136	0	-3
Single-Family	226,521	224,361	-2,160	226,070	1,709	222,731	-3,339	-1,263
Townhome	6,982	7,019	37	7,350	331	7,360	10	126
Total:	290,815	287,751	-3,064	290,602	2,851	286,437	-4,165	-1,459

Objective 4: What is the three-year average of additions and reductions for multi-family housing units?

See Exhibits 4 through 4G for a detailed breakdown of multi-family housing units from Year 2016 through Year 2022. The graphic below links each Exhibit with a three-year average.



(Exhibits begin on the following page).

With 2019 as the base year, the total number of multi-family housing units decreased by 22 units from Year 2019 through Year 2022. This resulted in a **three-year average decrease of additions and reductions for multi-family housing units of 7 units, or 0.0022 percent, within the City when measured from Year 2020 through Year 2022.** This resulted in a reduction of 22 complexes, or a three-year average reduction of 7 complexes (-0.23 percent), from Year 2020 through Year 2022.

Exhibit 4:

Average Change in Multi-Family Housing Units by Year for 2020 through 2022

Description	Base Year 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Year 2022	Increase or Decrease from Year 2021 to 2022	Three Year Average 2020-2022
Multi-Family Housing Units	279,716	282,569	2,853	283,444	875	279,694	-3,750	-7

Exhibit 4A:

Average Change in Multi-Family Housing Complexes by Year for 2020 through 2022

Description	Base Year 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Year 2022	Increase or Decrease from Year 2021 to 2022	Three Year Average 2020-2022
Multi-Family Housing Complexes	3,179	3,172	-7	3,151	-21	3,157	6	-7

With 2018 as the base year, the total number of multi-family housing units increased by 4,347 units from Year 2018 through Year 2021. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 1,449 units, or .52 percent, within the City when averaged from Year 2019 through Year 2021.** This resulted in a reduction of 3 complexes, or a three-year average reduction of 1 complex (0.03 percent), from Year 2019 through Year 2021.

Exhibit 4B:

Average Change in Multi-Family Housing Units by Year for 2019 through 2021

Description	Base Year 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Three Year Average 2019-2021
Multi-Family Housing Units	279,097	279,716	619	282,569	2,853	283,444	875	1,449

Exhibit 4C:

Average Change in Multi-Family Housing Complexes by Year for 2019 through 2021

Description	Base Year 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Year 2021	Increase or Decrease from Year 2020 to 2021	Three Year Average 2019-2021
Multi-Family Housing Complexes	3,154	3,179	25	3,172	-7	3,151	-21	-1

With 2017 as the base year, the total number of multi-family housing units increased by 47,348 units from Year 2017 through Year 2020. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 15,783 units, or 6.63 percent, within the City when averaged from Year 2018 through Year 2020.** This resulted in an increase of 185 complexes, or a three-year average increase of 62 complexes (2.05 percent), from Year 2018 through Year 2020.

Exhibit 4D:

Average Change in Multi-Family Housing Units by Year for 2018 through 2020

Description	Base Year 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Three Year Average 2018-2020
Multi-Family Housing Units	235,221	279,097	43,876	279,716	619	282,569	2,853	15,783

Exhibit 4E:

Average Change in Multi-Family Housing Complexes by Year for 2018 through 2020

Description	Base Year 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Year 2020	Increase or Decrease from Year 2019 to 2020	Three Year Average 2018-2020
Multi-Family Housing Complexes	2987	3,154	167	3,179	25	3,172	-7	62

With 2016 as the base year, the total number of multi-family housing units increased by 56,072 units from Year 2016 through Year 2019. This resulted in a **three-year average increase of additions and reductions for multi-family housing units of 18,691 units, or 8.02 percent, within the City when averaged from Year 2017 through Year 2019.** This resulted in an increase of 141 complexes, or a three-year average increase of 47 complexes (1.57 percent), from Year 2017 through Year 2019.

Exhibit 4F:

Average Change in Multi-Family Housing Units by Year for 2017 through 2019

Description	Base Year 2016	Year 2017	Increase or Decrease from Year 2016 to 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Three Year Average 2017-2019
Multi-Family Housing Units	223,644	235,221	11,577	279,097	43,876	279,716	619	18,691

Exhibit 4G:

Average Change in Multi-Family Housing Complexes by Year for 2017 through 2019

Description	Base Year 2016	Year 2017	Increase or Decrease from Year 2016 to 2017	Year 2018	Increase or Decrease from Year 2017 to 2018	Year 2019	Increase or Decrease from Year 2018 to 2019	Three Year Average 2017-2019
Multi-Family Housing Complexes	3,038	2,987	-51	3,154	167	3,179	25	47

Audit Results

Both *City Council Resolution 88-3428* and Administrative Directive 4-09, *Internal Control* prescribe policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A: Responsibility for the City's Housing Units' Data

The City has not assigned the responsibility for maintaining and reporting the City's housing units' data. There are 19 City departments, offices, and boards and commissions who directly or indirectly, utilize, depend, make management or citizenry decision, or export data related to housing units. As a result, there is inconsistency and a wide range in the number of housing units cited by City departments when addressing issues related to housing. For example, there are numerous reports and organizations focused on the availability of housing for those that are: homeless; forced to live in substandard housing, unable to afford the down payment and monthly costs of housing in the City; or, children zoned to attend schools labeled as failing in certain housing neighborhoods.

Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

Low

We recommend the **City Manager:**

- A.1:** Assign responsibility for maintaining and reporting the City's housing units' data.

Observation B: Defining Single-Family Housing Units and Multi-Family Housing Units

The City does not have established, City-wide definitions for the terms “single-family housing unit” and “multi-family housing unit.” City departments either defer to another City department for these definitions, indicate no documented definitions are available, or reference the Dallas City Code, Section 51-4.201, *Residential Uses*, which defines “Single-family” as “one dwelling unit located on a lot,” “Duplex” as “two dwelling units located on a lot,” and “Multiple-family” as “three or more dwelling units located on a lot.” Conversely, for “Multifamily Site,” the Sanitation Department, references the Dallas City Code, Section 18-2 (28), *Multifamily Site* as a site with “eight or more dwelling units on a lot.” As a result, without an established defined City-wide definition, there is inconsistency and a wide range in the number of single-family housing units and multi-family housing units cited by City departments when addressing issues related to housing.

Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

Low

We recommend the **City Manager**:

- B.1:** Review definitions for the terms “single-family housing unit” and “multi-family housing unit” and determine applicability for establishing definitions for consistent use City-wide.

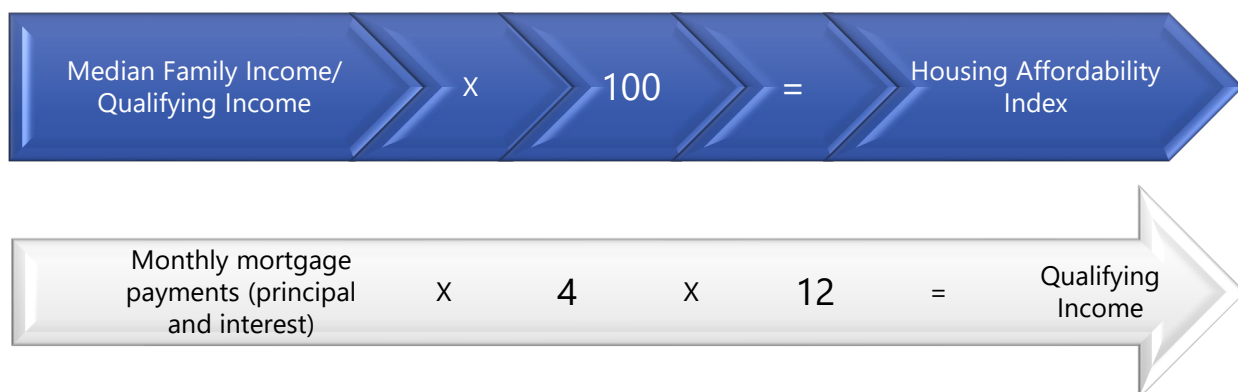
Observation C: The City's Housing Affordability Index

The City does not calculate and monitor the City's affordability index. As a result, the City has no definitive data on a homebuyer's ability to purchase a house within the City.

According to the *U.S. Department of Housing and Urban Development's Office of Policy Development and Research*, housing programs in the United States have long measured housing affordability in terms of percentage of income. In the 1940s, the maximum affordable rent for federally subsidized housing was set at 20 percent of income, which rose to 25 percent of income in 1969 and 30 percent of income in 1981. Over time, the 30 percent threshold also became the standard for owner-occupied housing, and it remains the indicator of affordability for housing in the United States. Keeping housing costs below 30 percent of income is intended to ensure that households have enough money to pay for other nondiscretionary costs. Therefore, policymakers consider households who spend more than 30 percent of income on housing costs to be housing-cost-burdened.

The affordability of housing in the United States is tracked via an index. Several entities (states and private companies) have developed widely accepted methodologies to calculate these indexes. Basically, these indexes measure median household income relative to the income needed to purchase a median-priced house. The benchmark is 100 and is sometimes expressed as 1.0. It means that a family earning the median income has exactly enough money to qualify for a mortgage to buy a median-priced home in that market. It assumes a 20 percent down payment, and that mortgage payments will not exceed, depending on the methodology used, 25 or 30 percent of gross income. A figure less than 100, or less than 1.0, means that the median income family cannot afford the median house. A figure greater 100 or 1.0 means the median income family can afford a home more expensive than the median home. If viewed on a trend-line and the trend-line is declining, it indicates that housing is becoming less affordable. Conversely, an upwardly trending trend-line numbers mean housing is becoming more affordable.

The formula to calculate Housing Availability Index is as follows:



Qualifying income is derived from the monthly payment on the median-priced existing home, at the effective mortgage interest rate.³ *The Housing Affordability Index* assumes borrowers make a 20 percent down payment and that the maximum mortgage payment is 25 or 30 percent (depending on the methodology) of gross monthly income for the household.

See [Exhibit 5](#) for Calculation of Housing Affordability Index for 2016 through 2022.

Exhibit 5:

Calculation of Housing Affordability Index for Years 2016 through 2022

Year	Median Single-Family Housing Price ⁴	Median Family Income ⁵	Qualifying Income 20% Down Payment	Housing Affordability Index (for 20% Down Payment)	Qualifying Income 5% Down Payment	Housing Affordability Index (for 5% Down Payment)
2016	\$112,450	\$47,243	\$19,693.57	239.89	\$23,386.11	202.01
2017	\$130,920	\$50,627	\$23,892.82	211.89	\$28,372.72	178.44
2018	\$151,490	\$52,210	\$29,501.78	187.14	\$35,033.37	149.03
2019	\$177,620	\$55,332	\$32,221.34	171.72	\$38,262.85	144.61
2020	\$189,745	\$54,747	\$31,072.36	176.19	\$36,898.43	148.37
2021	\$200,070	\$57,995	\$32,145.73	180.41	\$38,173.05	151.93
2022	\$250,160	\$58,231	\$53,344.85	109.16	\$63,347.00	91.92

Source: Housing Affordability index was calculated by the Office of the City Auditor. See footnotes for more information.

Based on the calculations, the single-family housing affordability index for the City has decreased overall from the Year 2016 to Year 2022, regardless of the down payment of 20 or 5 percent of the purchase price. In other words, the ability of a homebuyer to purchase a house irrespective of a 20 or 5 percent down payment, has been reduced by 54.5 percent from Year 2016 to Year 2022.

³ The annual effective mortgage interest rate as cited by *Federal Reserve Economic Research Division*.)

⁴ Median single-family housing includes the following type of houses: Condominiums, Duplexes, Mobile Homes, Modular Homes, Single-Families, and Townhouses.

⁵ The median family income as cited by the *US Census for the City of Dallas*.

Criteria

- ❖ Standards for Internal Control in the Federal Government, *Principle 10 – Design Control Activities*

Assessed Risk Rating:

Low

We recommend the **Director of Housing & Neighborhood Revitalization:**

- C.1:** Periodically monitor and assign responsibility for calculating the City's affordability index.

Appendix A: Background and Methodology

Background

The City has implemented several ordinances and/or resolutions related to housing but nothing directly in the area of inventory or tracking. For example,

City Ordinance 28707 addresses administrative procedures for construction codes and provides definitions for temporary structures, value or valuation, and single-family or duplex premises.

City Council Resolution 211450, as amended, established a *Comprehensive Housing Policy* with three broad goals:

Create and maintain affordable housing units throughout Dallas.

1. Promote greater fair housing choices.
2. Overcome patterns of segregation and concentrations of poverty through incentives and requirements

The City operated under a consent decree entered on September 24, 1990, (*Debra Walker et al. v. U.S. Department of Housing and Urban Development et al.*). A resident in Dallas public housing, filed a class action lawsuit against the Dallas Housing Authority (DHA) and the U.S. Department of Housing and Urban Development (HUD) for a "separate and unequal housing system" that racially segregated public housing projects. At the time, "92% of black households in the DHA system were concentrated into black neighborhoods where the poverty rate exceeded 40 percent." Conditions for these units were considered inferior to those of low-income whites that received HUD assistance. Remedies were implemented between 1990 and 2003, and a final judgment ending the case was granted on August 12, 2003.

When discussing the City's housing, the number of housing units needed in the City varies significantly depending on the source and purpose of the article, report, or document as the following excerpts show:

The Dallas Morning News, March 6, 2023 – The City had a housing shortage of 20,000 homes in 2018 but still needs 20,000 to fill the gap today.

Dallas Business Journal, August 28, 2022 – As of 2020, Dallas-Fort Worth had a shortage of more than 85,000 residential units, according to a nonprofit research group *Up for Growth* study.

Dallas Observer, October 4, 2022 – Housing production in Dallas picked up between 2020 and 2021. At the beginning of 2020, builders had started on some 12,000 houses, according to the housing research firm Zonda. When 2021 rolled around, builders had started on more than 54,000. Despite this uptick, a report released this year by the national housing advocacy

group *Up For Growth* found that another 3.8 million homes must be built in the U.S. to fill the country's housing needs. That translates to about 322,000 homes across Texas and 85,220 across DFW.

Norada Real Estate Investments, March 12, 2023 – In the Dallas housing market, the monthly inventory for single-family homes rose significantly from 0.7 to 2.2 months' supply, indicating a shift toward a more balanced market. Additionally, the days to sell also increased from 68 to 95. Overall, the Dallas housing market is experiencing a decrease in sales volume and days to sell, but an increase in prices and months of inventory for single-family homes.

U.S. News, February 9, 2023, – The Dallas Real Estate Market Predictions indicate low unemployment, year-over-year increases in median home price and anecdotal evidence points to a housing market likely to see similar results as we move forward in 2023, if at more of a balanced pace between buyers and sellers compared to 2021 and early 2022. However, the decline in consumer sentiment and even lower builder confidence means there may be some drop in demand as well as supply as we look ahead. *The U.S. News Housing Market Index* predicts more than 20,600 new permits for single-family home construction will be approved between January and May this year. However, the forecast for housing permits in December 2022, at 3,701, was well above the actual reported number of 2,188.

A search of departmental information and resources within the City did not yield a centralized source or consistent viable information related to housing inventory.

City Entities Using Housing Data

There are 19 City departments, offices and boards and commissions who directly or indirectly, utilize, depend, make management or civic decisions, or export data related to housing units.

The following are departments, offices and boards and commissions that directly or indirectly have housing related operations.

City Departments and Offices

1. BUDGET & MANAGEMENT SERVICES DEPARTMENT

Grant Administration Division – Prepares and monitors budgets City-wide for Consolidated Plan funds received from the U.S. Department of Housing and Urban Development (*including Community Development Block Grant, HOME Investment Partnership Grant, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS Grant*). This division is responsible for ensuring U.S. Department of Housing and Urban Development and other grant funds are administered efficiently, effectively, and in compliance with applicable laws. The division also serves as the City's liaison to various federal agencies from whom the City receives grant funding.

2. CODE COMPLIANCE DEPARTMENT

Single Family and Multi-Tenant Inspection-Specialty Units-Boarding Homes Division
Performs annual registration and renewal of rental properties; regulation and license of boarding home facilities; fraudulent business dealings; and inspection and registration of multi-tenant property.

3. CURRENT PLANNING DEPARTMENT – Reviews and processes zoning requests, subdivision and platting issues, land use termination cases, development code amendments, notification for public hearings, annexations, official zoning maps, and street name changes.
4. DALLAS FIRE & RESCUE DEPARTMENT – Uses housing information and locations to provide the citizens of Dallas the most effective and rapid emergency, fire, rescue, and prevention services.
5. DALLAS POLICE DEPARTMENT – Uses housing information and locations to respond to 911 and 311 calls and establish programs to reduce crime and provide a safe City.
6. DATA ANALYTICS AND BUSINESS INTELLIGENCE DEPARTMENT– A team of data science and geospatial analysts harvest, analyze, and interpret information so that policymakers, residents, and City staff can make more informed decisions about issues and services that impact the community.

7. DEVELOPMENT SERVICES DEPARTMENT

Plan Review & Field Service Inspections Division – Provides plan review and inspections for commercial and residential development.

Land Development Division – Reviews subdivision plats, engineering plans, tree preservation, signs, and zoning for compliance with City Code. The division also reviews privately funded public infrastructure for compliance with City Standards.

8. OFFICE OF EQUITY AND INCLUSION

Fair Housing Division – Supports City leadership and staff through education and training in the identification and elimination of systemic barriers to fair and just distribution of resources, access to services and opportunity and proper investigation of housing discrimination complaints.

Resilient Dallas Division – Fosters a practice of resilience thinking by building opportunities for strategic engagement, leveraging community partnerships, and collaborating and strengthening communication with all residents and constituents. Specifically, *Goal 6A*, recognizes and institutionalizes the need for a multi-pronged, coordinated, place-based approach and the long-term commitment necessary to achieve holistic revitalization in low- and moderate-income neighborhoods.

Equity Division

Dallas Equity Indicators, Neighborhoods & Infrastructure Theme – includes the following four topic areas:

Access to Housing – Explores the racial/ethnic disparities at the individual and neighborhood level for three indicators: Homeownership, Evictions, and Home Loan Denials.

Housing Affordability & Service – Explores the racial/ethnic disparities individuals and households face for three indicators: Housing Cost Burden, Internet Access, and Utility Expenses.

Neighborhoods – Explores the racial/ethnic disparities at the neighborhood level for three indicators: Long-Term Residential Vacancies, Street Quality, and Access to Parks.

Transportation – Explores the racial/ethnic disparities at the individual and neighborhood level for three indicators: Private Vehicle Availability, Commute Time, and Transit Frequency.

9. HISTORIC PRESERVATION DEPARTMENT – Provides services related to historic districts, historic structures, and potential historic districts and structures.
10. HOUSING & NEIGHBORHOOD REVITALIZATION DEPARTMENT – Works to create and maintain affordable housing throughout Dallas, promote greater fair housing choices, and overcome patterns of segregation and concentrations of poverty through incentives and requirements. Their Dallas Homebuyer Assistance Program assists homebuyers to purchase a home within the City limits of Dallas.
11. OFFICE OF COMMUNITY CARE
 - Fresh Start Housing Program – Offers case management and rental assistance to aid the homeless and those at-risk of homelessness, including individuals impacted by the criminal justice system, to increase skills and income, on the road to self-sufficiency.
12. OFFICE OF HOMELESS SOLUTIONS – Designed to be the change agents in the homeless community. Offers strategic initiatives and street outreach to overcome homelessness throughout the City by implementing initiatives with consistency, transparency, and accountability. Provides innovative solutions to ensure homeless neighbors receive food, shelter, housing, help to overcome barriers, and opportunities for a better life.
13. PLANNING & URBAN DESIGN DEPARTMENT– Develops comprehensive plans, policies, and programs through effective community engagement. Goals are to advance livability, economic vibrancy, sustainability, and equity within the City.

14. SANITATION SERVICES DEPARTMENT – The exclusive solid waste collection service provider for single-family homes and duplexes in the City. Commercial and multi-family properties may request collection services from the Department of Sanitation or may elect service from a private solid waste hauler that is authorized to conduct business within the City.
15. DEPARTMENT OF DALLAS WATER UTILITIES

Revenue and Business Systems Division:

Special Collections –The Special Collections Section is responsible for the collection for multiple General Fund revenues including: (1) security alarm permits; (2) land-based receivables such as demolitions and weed liens; (3) Dallas Police Department’s vice-controlled licenses such as sexually oriented businesses; (4) multi-tenant inspections; (5) alcoholic beverage local fees; and others.

Boards and Commissions

16. DALLAS HOUSING FINANCE CORPORATION – Provides tax-exempt mortgage revenue bonds and other support for the acquisition, construction, or substantial rehabilitation of multi-family housing. Developments facilitated by Dallas Housing Finance Corporation financing provide housing for individuals and families earning 60 percent or below area median family income.
17. CITIZEN HOMELESSNESS COMMISSION – Assures participation from, and inclusion of, all stakeholders, including those with past or present experience with homelessness; develop policy recommendations; ensure alignment of City services with regional services; and enhance efficiency, quality, and effectiveness of the community-wide response to homelessness.
18. CITY PLAN AND ZONING COMMISSION – Responsible for making recommendations to the City Council regarding planning and zoning matters, and for administering Chapter 212 of the *Texas Local Government Code* regarding the platting and recording of subdivisions and additions.
19. BOARD OF ADJUSTMENTS – Serves to hear and take appropriate action on variations to *Development Code* regulations, on appeal from decisions of the Building Official made in the enforcement of *Development Code* and on termination of non-conforming uses.

Methodology

The audit methodology included: (1) interviewing personnel from the Housing & Revitalization Department, Development Services Department, Data Analytics and Business Intelligence Department, City Controller’s Office - Financial Compliance, Auditing & Monitoring, Dallas Central Appraisal District, Collin Central Appraisal District, and Denton Central Appraisal District,

(2) reviewing policies and procedures, applicable Administrative Directives, and the *Texas Local Government Code*, and (3) performing various analyses.

The Texas Property Tax Assistance Property Classification Guide, which is published by the State of Texas Comptroller's office, defines single-family and multi-family units. The guide is used by appraisal districts in classifying property for purposes of reporting property value to the Comptroller's office. Thus, a housing unit can be directly tied to an appraised property and are identified by the applicable appraisal district of each county. Moreso, per the *Texas Property Tax Assistance Property Classification Guide*, a single-family housing unit is identified by the following building structures: condominium, duplex (owner-occupied), mobile home, modular home, single-family, and townhouse. A multi-family housing unit is identified as an apartment complex, duplex (not owner-occupied), triplex, and fourplex.

The Data Analytics and Business Intelligence Department confirmed its access to housing unit data (parcel identification, property size, owners, tax appraisal, etc.) and further confirmed the Dallas Central Appraisal District, Denton Central Appraisal District, and Collin Central Appraisal District as the authoritative sources for housing unit data for the City. The Data Analytics and Business Intelligence Department Analysts agreed to develop data reports for single-family and multi-family housing units within the City. The report would include all residential properties in all three counties - Collin, Dallas, and Denton. It was noted that there were no residential properties in Kaufman and Rockwall Counties.

Housing Units Classified as Single-Family Houses

1. Condominiums
2. Duplexes
3. Mobile Homes
4. Modular Homes
5. Single-Families
6. Townhouses

Housing Units Classified as Multi-Family Houses

1. Apartments Complex
2. Triplexes
3. Fourplexes

Because each appraisal district used labels or table headings that were unique to its system, the Data Analytics and Business Intelligence's Enterprise Geospatial Information System Analysts developed a data report that compiled the data from each county appraisal district and assembled the data into one report. The reliability of housing unit data was assessed by (1) performing electronic testing; (2) reviewing existing information about the data and the

system that produced them; and (3) interviewing agency officials knowledgeable about the data. The following describes the reliability testing performed.

SAMPLE OF ADDITIONS AND REDUCTIONS – To determine if housing units were properly added or removed from the population, a permit was obtained from Development Services Department to build or demolish a housing unit, a statistically random sample of 60 single-family and multi-family housing unit permits for the Year 2022 was selected from the population of 15,605 housing unit permits completed. Forty-five of the 60 housing unit permits selected were for new constructions, and 15 were for demolitions (13 single-family and two multi-family).

The 60 housing unit permits were matched against property appraisal history for the 60 addresses as listed on the Dallas County Appraisal District's website, www.dallascad.org, and reviewed the existence of the addresses using Google Maps. Fifty-seven of the 60 housing units (95 percent) sampled were in existence via Google Maps and matched the information on the Dallas County Appraisal District's website. Three of the 60 did not match (5 percent). The three housing units that did not match, had similar addresses (1135 versus 1139, 12015 versus 12001, and 5065 versus 5055) but not the same permit addresses. However, the three addresses had the same identifying factors (parcel description, owner, etc.) as listed on the permit. The Development Services Department indicated the addresses' changes were attributed to demolition of the old property and rebuilding with a new address or combining lots and establishing a new address. The new addresses were traceable via Google Maps and existed via the United States Postal Service address lookup. As such, the three properties were not considered exceptions.

SAMPLE OF DALLAS CENTRAL APPRAISAL DISTRICT – To determine the reliability and completeness of housing units' data provided to the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System from the Dallas County Appraisal District, a statistical sample of 60 housing units, single-family and multi-family, were selected from the Year 2022 data listed on www.dallascad.org, which had a population of 281,350 housing units. The sample was traced from the Dallas County Appraisal District to the data set provided by the Data Analytics and Business Department's Intelligence's Enterprise Geospatial Information System. No exceptions were noted.

SAMPLE OF DATA ANALYTICS AND BUSINESS INTELLIGENCE DEPARTMENT'S ENTERPRISE GEOSPATIAL INFORMATION SYSTEM DATA – To determine if housing units physically existed from the population of housing units provided by the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System, a statistical sample of 60 housing units, single-family and multi-family was selected from the Year 2022 data which had a population of 280,388 housing units. The population of housing unit provided by the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System was 962 units less than those posted on the Dallas County Appraisal District (281,350 – 280,388) because of adjustments that are made monthly to the database population because of additions and removals of housing units and the date of download. The 60 housing units were physically observed for existence without exceptions.

Based on the Attribute Sampling, using 95 percent confidence, with a tolerance deviation rate of +/- 5 percent, the data received from the Dallas Central Appraisal District via the Data Analytics and Business Intelligence Department's Enterprise Geospatial Information System is representative of the population of housing units.

Internal Controls were not assessed, or deficiencies identified since the five components of internal controls (Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring) are not considered significant to the audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Major Contributors to the Report

Keith Maddox, MBA, CIA, CGAP – In-Charge Auditor
Rory Galter, CPA – Engagement Manager
Nadia Gonzalez, Auditor

Appendix B: Management’s Response

Memorandum



DATE: October 27, 2023
TO: Mark S. Swann – City Auditor
SUBJECT: Response to Audit of Housing Inventory

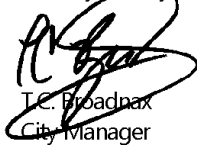
This letter acknowledges the City Manager’s Office received the [Audit of Housing Inventory](#) and submitted responses to the recommendations in consultation with the Department of Housing and Neighborhood Revitalization.

The City Manager’s Office recognizes a consistent process for periodically determining the City’s inventory and affordability of housing units by description (e.g., condominium) would aid policymakers and administrators in serving residents, community partners, and local businesses.

Therefore, management agrees to implement the three low-risk recommendations. Specifically, management will:

- Assign responsibility to periodically obtain and report on housing units’ data, assuming the assigned department can justify the cost-benefit and adequate funding is available;
- Assign responsibility for reviewing the definitions for the terms “single-family housing unit” and “multi-family housing unit” and determine applicability for establishing definitions for consistent use city-wide; and
- Establish and monitor a city housing affordability index.

Thank you for your continued coordination and work with staff on these matters.



T.C. Broadnax
City Manager

C: Genesis D. Gavino, Chief of Staff
Jack Ireland, Chief Financial Officer
Majed Al-Ghafry, Assistant City Manager
Cynthia Rogers-Ellickson, Director (Interim), Department of Housing and Neighborhood Revitalization

Assessed Risk Rating	Recommendations	Concurrence and Action Plans	Implementation Date	Follow-Up/ Maturity Date	
Low	We recommend the City Manager:				
	<p>A.1: Assign responsibility for maintaining and reporting the City's housing units' data.</p>	<p>Agree</p>	<p>The City Manager's Office will assign responsibility to periodically obtain and report on housing units' data, assuming the assigned department can justify the cost-benefit and adequate funding is available. Research has begun on a potential viable solution; however, further research is needed.</p>	<p>9/30/2024</p>	<p>6/30/2025</p>
	<p>B.1: Review definitions for the terms "single-family housing unit" and "multi-family housing unit" and determine applicability for establishing definitions for consistent use City-wide.</p>	<p>Agree</p>	<p>The City Manager's Office will assign responsibility for reviewing the definitions for the terms "single-family housing unit" and "multi-family housing unit" and determine applicability for establishing definitions for consistent use city-wide by working with Development Services, Planning & Urban Design, Economic Development, Sanitation, and Housing & Neighborhood Revitalization.</p>	<p>09/30/2024</p>	<p>06/30/2025</p>

Assessed Risk Rating	Recommendations	Concurrence and Action Plans	Implementation Date	Follow-Up/ Maturity Date	
Low	We recommend the Director of Housing & Neighborhood Revitalization:				
	C.1: Periodically monitor and assign responsibility for calculating the City's affordability index.	Agree	<p>Housing & Neighborhood Revitalization will research and hire a vendor dependent on funding to establish and monitor a City housing affordability index.</p> <p>To ensure the index is representative of actual housing affordability, Housing & Neighborhood Revitalization anticipates contracting with a well-respected specialist to develop and maintain the affordability index. Housing & Neighborhood Revitalization has begun researching options; however, further research is needed.</p>	9/30/2024	6/30/2025