

DCA201-008

City Plan Commission
January 6, 2022

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City of Dallas

Request

- Consideration of amending the Dallas Development Code Chapter 51A-4.1100 Mixed Income Housing, to support and align with the One Dallas Options Program within the City of Dallas Comprehensive Housing Policy.

Purpose

- Consider amendments to Section 51A 4.1100 Mixed Income Housing to align with proposed amendments to the Comprehensive Housing Policy.
 - Proposed amendments to Chapter 51A are part of a larger initiative supported by the City Manager to create a program called One Dallas Options (ODO).
 - ODO expands the existing Mixed Income Housing Development Bonus (MIHDB) program and includes additional flexibility.
- City Council will review proposed changes to Ch. 51A, Ch. 20A, Ch. 52, and the Comprehensive Housing Policy (CHP) in early 2022.

Background – Current MIHDB Program

- Purpose – Create mixed income development by providing zoning bonuses for multifamily developers in exchange for on-site housing for households at 51-100% AMFI and voucher holders
- Intended to incentivize additional mixed-income development without requiring additional financial incentives.
- State law requires the program to be voluntary
- Two tracks:
 - By-right bonus in multifamily and mixed use districts
 - Base plus bonus structure in planned development districts (PDs)

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Background – Current MIHDB in 51A

- Ch. 51A MIHDB language regulates the built environment
 - Development bonuses in MF and MU districts
 - Development bonus time period
 - Details regarding permit process, phasing, COs
 - Development requirements (unit mix, finish out, etc.)
 - Design requirements (pedestrian amenities, fencing, parking locations, doors and windows facing the street, etc.)

Background – Current MIHDB in 20A-II

- Ch. 20A regulates fair housing
- Ch. 20A-II regulates the people portion of MIHDB:
 - Definitions related to income, rent, area median family income, eligible households, voucher requirements, references to federal documents, etc.
 - Procedures related to the restrictive covenant
 - Procedures related to eligibility determination, wait lists, over/under occupancy, income limits, affordable rents, tenant selection, etc.

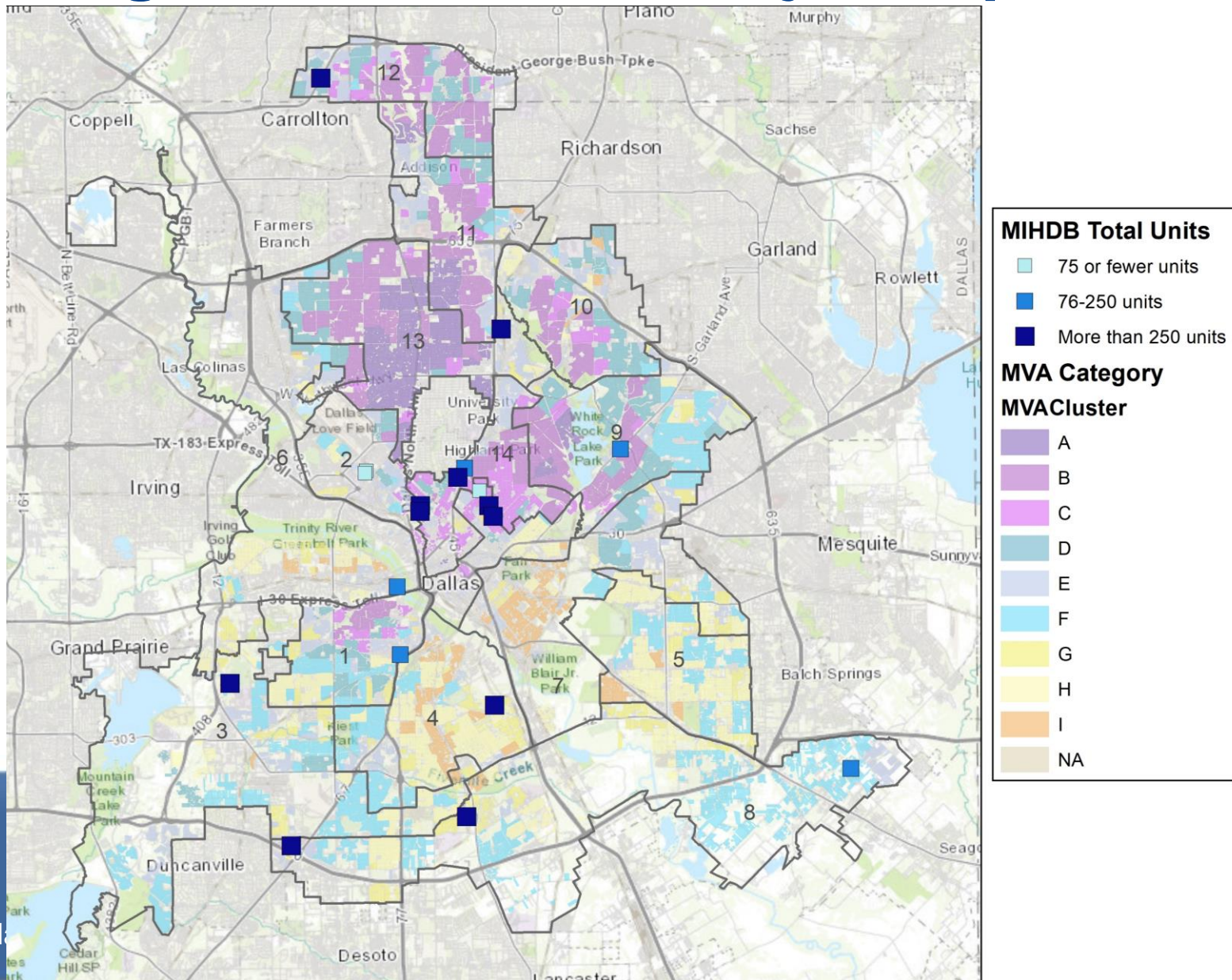
Background – Current MIHDB in CHP

- Comprehensive Housing Policy (CHP) catalogues most of the City's housing policies and programs
 - MIHDB section of CHP
 - Points to Ch. 51A and Ch. 20A regulations
 - Outlines implementation, operations, and compliance procedures

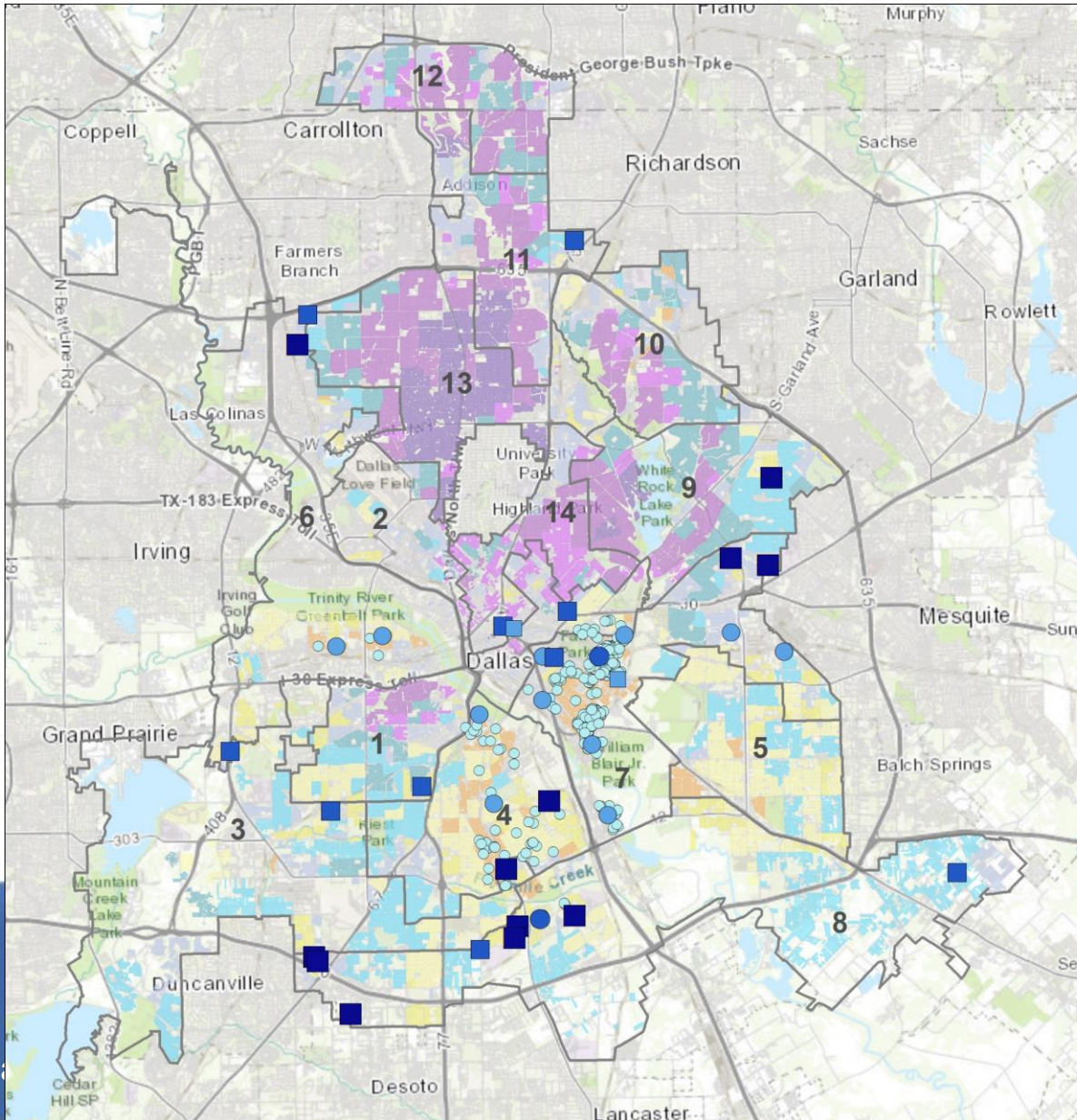
Background – MIHDB Project Pipeline

- Under construction
 - 7 communities, total of 1,673 units (104 reserved)
- Pre-development
 - 8 communities, total of 1,707 units (124 reserved)
- Zoning
 - 16 zoning cases approved recently and expected to use the bonus in the near future
- By-right
 - 5 communities, total of 1,238 units (712 total affordable)

Background – MIHDB Project Pipeline



Current Development – Housing Funds



Multifamily Development

- 75 or fewer units
- 76-250 units
- Greater than 250 units

Single-Family Development

- 1 home
- 75 or fewer homes
- Greater than 75 homes

Market Value Analysis

- A
- B
- C
- D
- E
- F
- G
- H
- I
- NA

Proposed – One Dallas Options Overview

- One Dallas Options builds on the success of the MIHDB by offering additional flexibility:
 - Menu of bonus options for new and amended PDs (Type 3 developments)
 - Potentially faster development review
 - Potential financial benefits for on-site units (subject to underwriting)
 - Additional methods to meet the reserved unit requirements, including paying a fee in lieu or dedicating land
 - Fee to be deposited into a new One Dallas Fund

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Proposed – One Dallas Options (51A)

- Current MIHDB (to be called Type 1 and 2):
 - By-right bonuses in MF and MU districts
 - Specific bonuses in PDs
- One Dallas additions (to be called Type 3):
 - Menu of bonus options in new and amended PDs
 - Additional density, floor area ratio, height, and stories
 - Parking reduction (except for bars, restaurants, and commercial amusement)
 - Larger bonuses for lower income bands and for development in weaker housing markets
 - 5% reserved unit requirement for bonus

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Proposed – One Dallas Options (51A)

	MVA Category	Tier 1 (≤ 50% of AMFI)	Tier 2 (51 – 80% of AMFI)	Tier 3 (81 – 100% of AMFI)
Density Bonus	MVA A – F	20%	10%	5%
	MVA G - I	40%	30%	20%
FAR Bonus	MVA A – F	1.5	1	0.5
	MVA G - I	2.5	2	1
Height Stories	MVA A – F	25%	15%	5%
	MVA G - I	45%	35%	20%
Parking Reduction	MVA A – F	100%	50%	20%
	MVA G - I	100%	70%	40%

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Note: Staff is considering recommending that the required AMI levels for G-I be increased

Proposed – One Dallas Options (20A/CHP)

- Additional pathways for compliance
 - On-site provision of reserved dwelling units
 - Fee in lieu of on-site provision
 - Fee to be set high enough to preference on-site provision
 - Land dedication
 - Subject to specific Council approval
 - Must be an unencumbered and environmentally/geographically suitable property
 - Must be appraised equal to or more than the fee in lieu amount

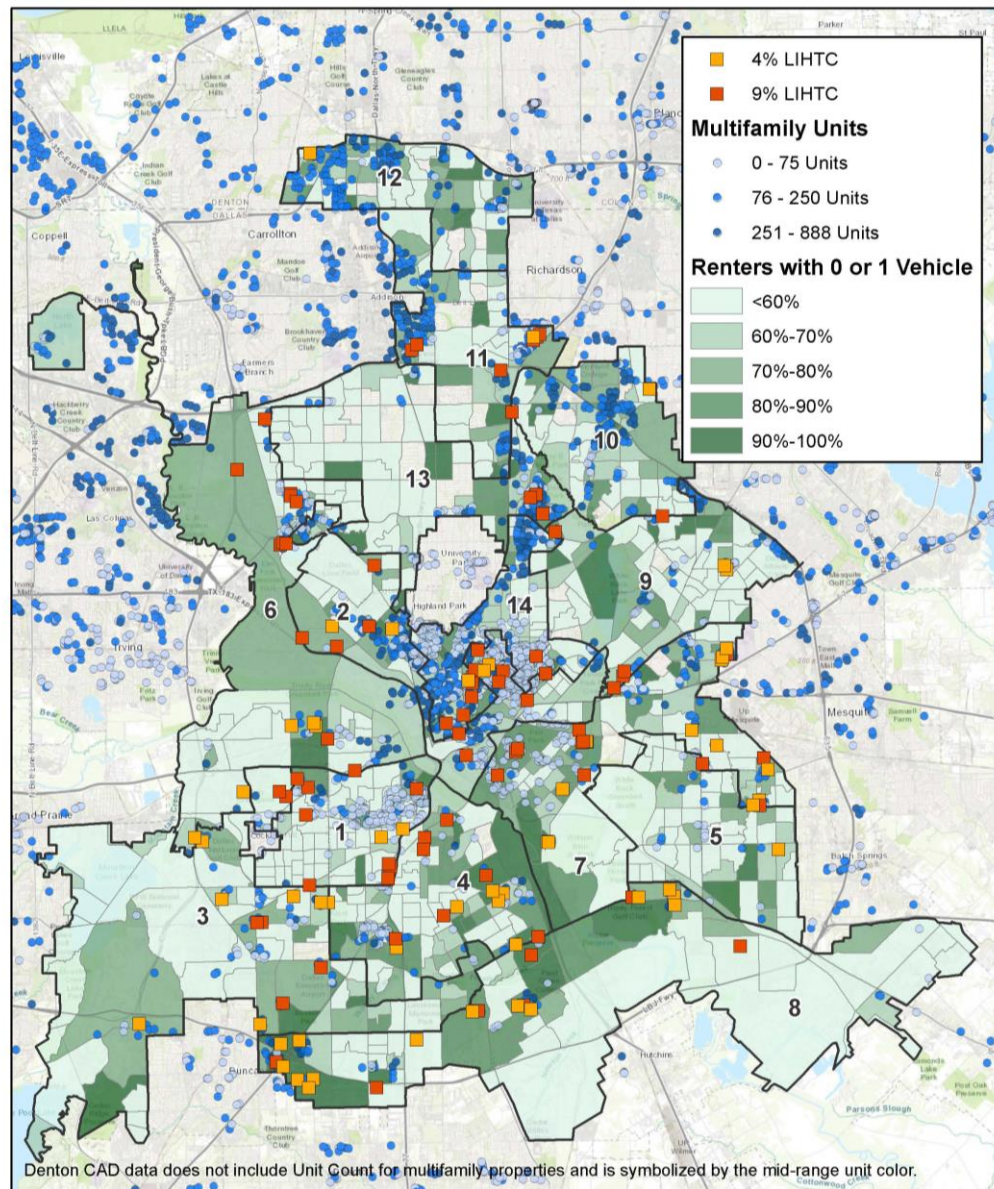
Proposed – One Dallas Options (20A/CHP)

- Additional incentives
 - Faster development review
 - Exact mechanism still under discussion and subject to funding
 - Potential financial incentives for on-site provision
 - Applications to be submitted through the Housing Department's financial support application process
 - Subject to underwriting
 - Designed to support mixed income developments that otherwise are not financially feasible, even with the regulatory bonuses.

Proposed – Additional Amendments (51A)

- Reduce the parking requirement for Type 1 (MF and MU districts):
 - Currently: 1.25 per unit (1 per unit for developments with transit proximity)
 - Proposed: 0.5 per unit regardless of location to approximate the parking reduction proposed in Type 3 developments

Proposed – Additional Amendments (51A)



Proposed – Additional Amendments (51A)

- Modify Ch. 51A-4.1107 to define legacy buildings and provide exceptions to the design standards at the director’s discretion
 - This supports adaptive reuse of older and historic buildings
 - Provides a pathway for buildings that might not meet the strict design requirements.

Proposed – Additional Amendments (51A)

- Minor clarifications to the zoning language (Ch. 51A) regarding
 - Parking (x per unit, or per code, whichever is less)
 - Deed restrictions (MF and MU districts with deed restrictions can participate but must follow the stricter requirement)
 - Fractions of a required unit must be rounded up
 - Transit proximity is measured radially
 - Developments must certify that they are registered as a vendor with a voucher provider

Proposed – Additional Amendments (20A)

- Strengthen language in Chapter 20A – Fair Housing. Multifamily managers shall:
 - Prioritize holders of housing vouchers for occupancy of reserved units by putting them at the top of any wait lists
 - Register as a vendor with one or more local providers of housing vouchers
 - Actively market to holders of housing vouchers through their affirmative fair housing marketing plan

Proposed – One Dallas Fund Uses (CHP)

- Fees collected through fee in lieu to be deposited into new One Dallas Fund
- Fund uses
 - Create/preserve reserved dwelling units and increase affordability in MVA Categories A, B, and C and rapidly gentrifying D, E, and F
 - Support equitable revitalization in D through I
 - Incentivize new market-rate units in mixed income communities
 - Renovate existing owner-occupied homes and existing affordable apartment communities
 - Build new neighborhood infrastructure, especially in support of home ownership opportunities
 - Expand programs in the CHP, including home ownership opportunities such as mortgage assistance
 - Administration
- Funding awarded through existing development funding application processes (grant or loan depending on underwriting)

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Future Expansion of One Dallas Options

- Potential items on the 2022 work plan:
 - Voluntary bonus fee for commercial properties to support affordable housing needs generated by the use
 - Bonuses directly related to the construction of single family and other for-sale residential uses
 - Bonuses for additional green elements included in the development

Staff Recommendation

- **Approval**

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