

# DCA201-008

City Plan Commission  
February 17, 2022

Steven Doss, AICP  
*Sr. Planner*  
*Planning & Urban Design*

Pam Thompson  
*Housing Strategy Manager*  
*Housing & Neighborhood Revitalization*



**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, and the Comprehensive Housing Policy (CHP) at the Housing and Homelessness Solutions Committee on March 28, 2022 and on the Council agenda in May 2022.

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# Summary – One Dallas Options

- Three new categories of development:
  - Type 1 – existing by-right bonuses in MF and MU districts
  - Type 2 – specific bonuses in PDs
  - Type 3 – menu of options in new and amended PDs
- Additional pathways for compliance
  - On-site provision of reserved dwelling units
  - Fee in lieu of on-site provision
  - Land dedication
    - Subject to specific City Council approval and criteria such as environmental and development suitability

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# Concerns from January 6<sup>th</sup> CPC Briefing

- 5% reserved units requirement may be too low
- Legacy buildings
- Parking reductions
- Minimum amount of residential use included in mixed use projects
- Land dedication
- Vouchers

# Percent of Reserved Units

- Concern
  - 5% minimum of total units required to be reserved may be too low as a threshold
- Response
  - Staff agrees and has updated the proposal to a range of required reserved units based on AMFI tier.
  - This additional level of affordability necessitates higher bonuses, especially a significant reduction in required excess parking.
  - Tier 1 ( $\leq 50\%$  of AMFI): Minimum 3% of units
  - Tier 2 (51 – 80% of AMFI): Minimum 5% of units
  - Tier 3 (81 – 100% of AMFI): Minimum 10% of units

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# Percent of Reserved Units

	MVA Category	Tier 1 (3% at <= 50% of AMFI)	Tier 2 (5% at 51–80% of AMFI)	Tier 3 (10% at 81– 100% of AMFI)
Unit Bonus	MVA A – F	<del>20%</del> <u>50%</u>	<del>10%</del> <u>30%</u>	<del>5%</del> <u>20%</u>
	MVA G - I	<del>40%</del> <u>60%</u>	<del>30%</del> <u>40%</u>	<del>20%</del> <u>30%</u>
FAR Bonus	MVA A – F	+1.5	+1.0	+0.5
	MVA G - I	+2.5	+2.0	+1.0
Height Stories Bonus	MVA A – F	25%	15%	<del>5%</del> <u>10%</u>
	MVA G - I	45%	35%	20%
Parking Reduction	MVA A – F	100%	50%	20%
	MVA G - I	100%	70%	40%

# Legacy Buildings

- Concern

- Site constraints related to existing (legacy) buildings
- Definition of legacy building

- Response

- Staff agrees and proposes updated language
- Type 1 (by-right):
  - A legacy building means a building constructed before 2000
  - Bonuses may be used to renovate, remodel, repair, rebuild, or enlarge a legacy building if the work does not cause the legacy building to become more nonconforming as to the MIHDB design standards (51A-4.1107) and the applicable zoning district.
- Type 3 (exclusively PDs):
  - Specific concerns for legacy buildings in the PD (including definition) can be addressed through that process

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# Parking Reduction

- Concern
  - Proposed parking reductions for Type 1 developments may be too extensive without further study
- Response
  - Current parking utilization studies of market rate and mixed-income developments in Texas show that between 0.7 and 1.7 parking spaces per unit are occupied during peak periods
  - Each unused parking space occupies land that could have been used for housing
  - Each dollar used to build empty parking spaces could have been used to build housing
  - ZOAC approved a 100% parking reduction for Tier 1 projects. Current staff recommendation is 0.5 spaces per multifamily unit and 0.25 per retirement housing unit

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# Parking Reduction

- In the absence of any parking requirement, developers use utilization studies to determine the actual parking demand for their projects.
  - Similar to using market studies for setting rents, determining amenities, etc.
- Parking utilization studies from Houston, Fort Worth, and Dallas show that actual utilization in both suburban and infill multifamily developments (both market and mixed-income) averages under one space per unit.

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# Parking Reduction

Data Source	Time Frame	Occupied Parking Spaces Per Unit	Unused Spaces (Range) Per Property
ITE (US & Canada)	1990s & 2000s	0.2 to 1.3	n/a
KHA (market, between downtown Dallas & Loop 12 (north))	2011	0.8 to 1.4	n/a
Mixed Income Developer	January 2022	0.9 to 1.1	93 to 389
Mixed Income Developer	January 2022	0.8 to 1.3*	n/a
Market Rate (West Dallas)	~2018	1.2	88

\*Ratios are slightly higher where Tractor Supply and/or horses are closer than the nearest grocery store

# Parking Reduction

“I actually got the results back last Wednesday and **didn't believe the property managers** so we had them audit the leases again and then count the actual cars in the parking lot at night...**the amount of unused spaces is much higher than what we thought.**” [389 unused spaces in one development]

“...any property we build that is under-parked will simply not lease (which is obviously not in our best interest).”

“If I accomplish one thing in my career, I hope it's that **we quit wasting money on parking spots.**”\*

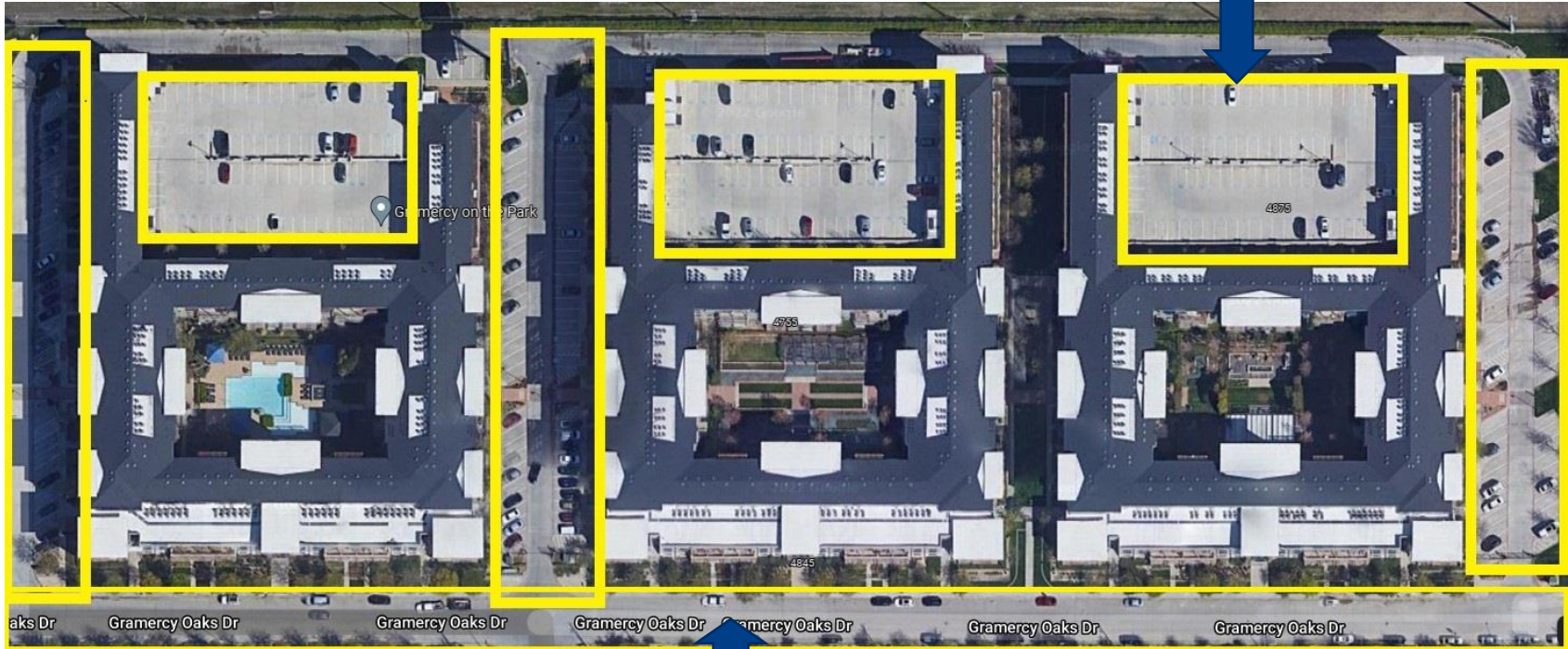
“This is a welcome change. Over time, we expect that **parking needs will decrease.** We currently think that about 1.2 spaces per unit is as low as we'd go based on market need for a typical infill project, which is most similar to what would utilize the MIHDB. [But,] that doesn't mean that in the future we won't get down to a need that low.”

\*David Cunningham, Granite Properties.  
<https://www.dmagazine.com/publications/d-ceo/2018/october/dallas-is-over-parked/>



# Parking Reduction

Almost completely empty rooftop parking



Cars on the street "proving" there's not enough parking

# Parking Reduction

- Equity
  - Each required – but excess - parking space removes land that could have been used for housing.
  - The recent Equity Audit of the Comprehensive Housing Policy calls for a whole-city strategy, including increased subsidies and other methods to induce private developers to create more mixed income housing.
  - Reduced parking regulations are a low-cost way to subsidize mixed income housing that preserves the One Dallas Fund for better uses.

# Parking Reduction

- One Dallas Fund utilization concerns
  - Parking costs \$10,000 - \$30,000 per space
  - Mortgage down payment assistance is \$60,000 per family in high opportunity areas
  - If the developer applies for support from the One Dallas Fund and the City requires excess parking, the money will be spent on unused parking rather than supporting new homeowners.

# Parking Reduction

- Staff concern
  - ZOAC recommended up to 100% parking reduction for Type 3 developments but did not discuss the current parking requirements for Type 1 developments
  - Developers should not be encouraged to create a PD just for parking benefits, so staff has concerns regarding parity between Type 1 developments and Type 3 developments regarding parking.



# Parking Reduction

- Staff recommendation
  - For Type 1 and Type 3 developments:
    - 0.5 spaces per unit for multifamily
    - 0.25 spaces per unit for retirement homes
  - Continue to offer the sliding scale of parking reductions for non-residential space for Type 3 developments (Section 51A-4.1106(j))
    - PD review process provides for consideration of adjustments
  - New parking minimums apply regardless of transit proximity

# Micromobility

- Concern
  - Requirements for micromobility solutions should be included for projects receiving a bonus
- Response
  - Micromobility will be discussed as part of the broader parking reform discussion, including requirements and standards for all developments, not only mixed income projects.
  - The City's Department of Transportation briefed Council recently on creating a curb management policy.

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# Residential Share of Mixed Use Projects

- Concern
  - A mixed use project could provide one residential unit and obtain a development bonus for the remainder of the project.
- Response
  - Staff agrees with the concern and recommends the following modification:
    - A Type 3 development must have a minimum 70% of floor area devoted to residential uses in order to access One Dallas Options development bonuses

# Land Dedication

- Concern

- Land dedication option may result in undesirable or undevelopable land being in city ownership.
- If land is dedicated in a different area of the city or lower MVA, fair housing and equity concerns

- Response

- Land dedication would be a City Council approval item, since it would result in land acquisition.
- City Council process would include fair housing, equity, environmental, and developability review specifically for future residential use.

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# Vouchers

- Concern

- What is CPC's role in addressing the issue of voucher acceptance?
- How many providers of vouchers are there other than DHA?

- Response

- DHA/Dallas Housing Solutions serves clients in Denton, Collin, Tarrant, Dallas, Rockwall, Kaufman, and Ellis Counties.
- North Texas also is home to more than a dozen voucher providers, such as Garland, McKinney, and Plano
- CPC can help to support voucher users by continuing to recommend approval of mixed income communities.

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# Additional Minor Amendments

- Sec. 4.1105: Small additions to permit application and phasing section
  - Add census tract
  - Add total floor area and residential floor area
- Sec. 4.1107: requirement that sidewalks be level and continuous across driveways, with a waiver available subject to director approval.

# Stakeholder Concerns

- Sec. 4.1102: Additional flexibility for PDs that modify standards other than use to access development bonuses.
  - Example: A PD that entirely defaults to MF-2(A) except for a restriction on fence material would not currently be eligible for a mixed income development bonus.
- Sec. 4.1107: New language had been proposed to require development plans for Type 3 developments.
  - After consultation with CAO, staff recommends removing the proposed language.

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# Staff Recommendation

- Approval of the updated proposal.



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