

Inspire Dallas

Key Strategies for Housing and Neighborhoods – REVIEW DRAFT

December 2, 2014

Dallas Housing Symposium Participants:

Thank you for your participation in *Inspire Dallas*, the City's update to the Housing and Neighborhoods Element of the Comprehensive Plan. What is presented below is a draft that outlines the strategic issues facing the City and some preliminary ideas on strategies and programs to address these issues.

Please read through this document and review the strategies. With your help, we will expand and refine our Key Strategies during the events on December 8 and 9. We know that the City cannot take on these challenges alone. We invite your help in identifying appropriate partners and resources to move the City forward.

Thank you!

The Inspire Dallas Project Team

KEY STRATEGIES [DRAFT]

INTRODUCTION

Following is a description of six key strategies and corresponding programs that are designed to address some of the city's systemic housing and neighborhood issues. The first section introduces Dallas' housing context and describes issue areas, followed by the strategic framework and programs to tackle each of the issues.

GROW WITH THE REGION

Currently, the Dallas Metro region is one of the most rapidly growing areas in the United States. As the region's central city, Dallas attracts segments of the housing market unique from those in the suburbs. Dallas should isolate its strengths and insure that the City is providing the kind of infrastructure, investments and neighborhoods that allow Dallas to remain competitive within the region for jobs and housing growth.

As the region grows, the City of Dallas should strive to maintain a proportionate share of that growth. This is fundamental to enabling Dallas to reposition itself to address many of the issues outlined here. Proportionate growth is achievable by building on recent trends and taking advantage of many of Dallas' inherent strengths. The City should track not just overall population growth, but specifically maintain or improve the City's share of regional growth in employment, within all income groups, and in the amount of housing units.

To maintain a population roughly 50% of the population of Dallas County, the City of Dallas needs to add about 8,000 new households annually over the next several decades, which also includes replacing the approximately 1,500 units demolished annually. Over half of this demand for new housing will be for multifamily housing. Demand for single family homes will remain steady but will diversify with interest in lower-maintenance, higher density alternatives such as townhomes, cottage homes, and courtyard homes.

By way of comparison, in 2008, before the recession the city had about 7,600 housing completes. In the 5 years prior to the recession our average was 6,000. Since 2010 our average has dropped to 4,400 and our number last year was about 7,000.

GUIDING CONCEPTS FOR CHANGE

- To be healthy as a city and a region, we must have all types and affordability levels of housing dispersed throughout the city and region
- The City of Dallas is stronger as a whole if all neighborhoods are healthy and stable, giving all residents safe and comfortable places to live
- People across the city must have access to the decision making process and have the opportunity to help identify and prioritize neighborhood needs
- We need to make sure our neighborhoods have the services and amenities to retain our residents – at all levels of income – from low income to middle to high incomes

- To achieve a healthier city for all citizens, we must change the way we deliver housing and neighborhood services in Dallas – from measuring and monitoring the results of our programs, to expanding the range of our programs to include the middle class, to partnering with the private, nonprofit, and other public agencies for greater leverage, and to more effectively deploying both people-based and place-based strategies.

KEY STRATEGIES

1. Create an organizational framework for neighborhood-based collective impact

THE ISSUE

Building healthy and stable neighborhoods involves more than just housing. Inspire Dallas embraces the concept of Housing/Neighborhoods Plus that links housing to crucial neighborhood-based services including education/training, health care and transportation. Many of the issues and programs that have been identified as crucial for Dallas to pursue will need partnerships – the City of Dallas does not have the resources or expertise to solve these problems by itself. Clearly a coalition of partners is what is needed here.

Inspire Dallas is being organized around a **Collective Impact** model. Collective Impact made waves when the *Stanford Social Innovation Review* published “[Collective Impact](#)” in the Winter of 2011, and “[Channeling Change: Making Collective Impact Work](#),” in 2012. It synthesized lessons from existing process models for change that were already working and branded successful principles into a succinct theoretical structure. We envision creating a compact among partners engaged in housing and neighborhood-based services with the following Collective Impact framework:

- **Common Agenda**: All participants have a **shared vision for change** (common understanding; joint approach; agreed actions)
- **Shared Measurement**: **Collecting data and measuring results consistently** across all participants (alignment; accountability)
- **Mutually Reinforcing Activities**: Activities **differentiated while still coordinated** (mutually reinforcing plan)
- **Continuous Communication**: **Consistent and open communication** (build trust; assure mutual objectives; and common motivation)
- **Backbone Organization**: Separate organization **serves as backbone for the initiative; coordinates organizations**

In addition, Dallas lacks a framework for effectively engaging neighborhoods in the process of planning and implementing neighborhood improvement. Many parts of Dallas lack effective neighborhood organizations with capacity and voice to articulate and advocate for their needs. There is no framework to support and encourage neighborhood organizations to build coalitions and work together more effectively towards shared objectives.

DESIRED OUTCOME

By 2016, Dallas has a new framework for organizing, communicating and partnering with the private and nonprofit sectors as well as neighborhood organizations for resource allocation and service provision.

STRATEGIES & PROGRAMS

Dallas Housing/Neighborhoods Plus Compact

- Implement a compact based on Collective Impact principles that includes diverse providers who proactively support long-term partnerships between housing organizations, the development community, transportation, education/training, health and other service providers.
- Use an existing or create a new partnership/non-profit to administer a Housing/Neighborhoods Plus Compact. The role of the compact is to convene partners to collaborate and monitor for collective impact by leveraging resources, co-locating facilities and coordinating services.
- Once the Dallas compact is up and running, consider expanding to a regional compact.

Super-Neighborhood Structure

- Establish a citywide super-neighborhood structure based on shared geography that allows neighborhoods to organize, build capacity and work together to have a more effective voice in advocating for their needs.
- An umbrella organization representing neighborhoods supports and administers the super-neighborhood units and plays an advisory role to city management/Council leadership. Residents, local businesses, nonprofits and institutions are part of the organizational structure. Designate an ombudsman for each super-neighborhood unit.
- Provide accessible super-neighborhood service centers hosting consolidated and integrated support services geared towards needs in each unit, including such services as community centers, WIC locations, community court offices, health centers, libraries, schools, etc.

Strategic Targeting for Neighborhood Impact

- Enhance and expand the targeted improvement approach to address areas more strategically. Provide multiple types of coordinated funding, incentives and programs through a block-by-block, place-based approach to enable whole areas to be stabilized and revitalized.
- Establish an objective and measurable set of indicators to identify areas at a tipping point where timely intervention can produce early and lasting results. For example, neighborhood improvement indicators could include: percentage stable, infrastructure in place, existing partners.

2. Alleviate poverty

THE ISSUE

Alleviating poverty is a major issue for Dallas. Today one in five Dallas residents lives in poverty. Over the last decade, the number of people living below the poverty line increased from 15% to 20%, and Dallas now has the highest poverty levels among Texas' four largest cities including Austin, Houston

and San Antonio. Adjusted median household income fell by over 17% from 2000 to 2012, and the median income of \$43,000 is the lowest of the four largest Texas cities, far lower than the median income of Texas (\$52,300) and the four counties surrounding Dallas (\$57,000).

Adjusted for inflation, median household incomes across the country have fallen in the past decade. This trend is true in Dallas and 5 of its peer cities (Atlanta, Austin, Houston, Phoenix, San Antonio), but none have fallen more precipitously than Dallas. Although the Dallas metro's economic output has increased nearly 70% in the last decade, the growth of individuals and families in poverty outpaced total population growth in the city of Dallas. And for the working poor (households earning less than 200% of the poverty line), the threat of poverty is real: 39% of all Dallas households do not have the resources to survive for three months above the poverty line if they lose their job.

Neighborhoods of concentrated poverty have grown between 2000 and 2013, from 18 to 32 neighborhoods, and currently 21% of the City's poor residents live in areas of concentrated poverty, up from 10% in 2000. Poverty disproportionately affects children and people of color.

- 38% of children are poor – almost 2 in 5.
- 53% of the poor in Dallas are Hispanic. 30% of Hispanics and 30% of African Americans are poor; just 10% of non-Hispanic Whites are poor.
- 14% of people age 65 and over are living in poverty

DESIRED OUTCOME

By 2020, the poverty rate in Dallas is below 15%.

STRATEGIES & PROGRAMS

Increased minimum wage

- Establish a City employee and City of Dallas' contractors' employee hourly rate of \$10.25 per hour, adjusted annually for inflation. Encourage other government and private employers to follow this trend and provide a living wage to Dallas workers.

ESL and training programs

- Expand existing partnerships to provide neighborhood-based training and ESL centers to enhance adult education and improve literacy rates and English proficiency. Target training for young people. Expand programs to offer services for those not currently eligible for employment.

Tie program funding to measurable desired outcomes

- Establish an open, transparent and outcomes-oriented approach to allocating funding. Provide funding to projects and organizations that deliver the best outcomes for the dollars. Establish clear goals/targets and monitor effectiveness of programs in achieving target. Review outcomes and annually monitor effectiveness of programs that are funded.

Coordinated user registration system

- Create a coordinated, shared central intake system so beneficiaries can register through a variety of workforce, childcare, health or home-ownership related programs. This will enable beneficiaries to enter information one time to access a variety of services.

Transportation and childcare programs for low income workers

- Create partnerships between employers, transportation providers and child care providers to increase workforce capacity of young working parents

Build DHA partnerships to provide additional programs for residents

- Partnership with workforce and other nonprofits to develop a comprehensive family self-sufficiency program to assist residents to move from public housing to market housing
- Partner with DART and other transportation providers for transportation passes for DHA residents, ride to own bicycle programs and car share programs
- Partner with health provision agencies for clinic co-location to bring health education and healthy food choices to underserved areas with high levels of poverty and obesity

Leverage EITC as Economic Engine & Gateway for Future Asset Building.

- Work with United Way, Foundation Communities, and others to expand outreach centers (e.g. libraries, recreation centers) to leverage EITC as an economic development opportunity for citizens as well as a gateway for future asset building.

3. Address concentrations of blight

THE ISSUE

In addition to poverty reduction strategies to support and improve the lives of people regardless of where they live, the City of Dallas must focus on ways to improve the physical environment in neighborhoods with concentrated blight by bringing new investment without causing displacement.

A significant number of Dallas neighborhoods suffer from concentrations of blight – properties that are abandoned, chronically vacant, mortgage or tax foreclosed, tax delinquent, or in need of being demolished. As noted earlier, Dallas also has very significant numbers of single family rental homes and many of these tend to be in poor condition and located in areas of concentrated blight. Dallas programs aimed at addressing these issues have had some success over recent decades, but the problem remains. Improving these neighborhoods by returning these properties to productive use without displacing residents is also a challenge the City must meet.

Despite serious problems, many blighted areas have good location and physical characteristics that supports walkability and transit usage. Often they are located a stone's throw from an already revitalizing area. Other blighted neighborhoods are not well served by transit and are not friendly to walking. This presents a challenge given that 10% of Dallas households have no car, and in some neighborhoods that number exceeds 20%.

DESIRED OUTCOME

By 2020, concentrated blight in the City of Dallas is reduced by 25%.

STRATEGIES & PROGRAMS

Create a unified blight removal and improvement program

- Define blight and incorporate into Dallas code to establish a consistent way to address it. Evaluate available legal tools and strengthen them as needed.

- Aggressively address blight by creating a proactive target area program to proactively bring blighted properties into code compliance systematically. Integrate Neighborhood Police and Nuisance Abatement Team efforts in this process.
- Implement a targeted program addressing physical improvements in blighted areas, including infrastructure, crime prevention, parks and amenities. Find partners to sponsor neighborhood capital improvements.
- Consolidate programs that address blight under one city department, to streamline accountability and improve coordination.

Create a comprehensive database of blighted properties

- Coordinate data and information to measure blight across city departments (fire, code, police, CAO, housing); Integrate blight database with the development database and the Neighborhood Policing database; Use the database to identify targeted areas for proactive enforcement.
- Allow residents to track the City’s progress on addressing blighted properties.

Expand the vacant property registry

- Require owners of long-term vacant buildings to register them with the city (CDBG only now). Create a vacant, foreclosed property registration program that requires lenders to register lender-owned vacant properties. Require registration fee.

Dispose of land bank properties more strategically.

- Develop and map a comprehensive database of all city-owned properties (including land bank) to enable a strategic approach to property disposal to support a targeted blight improvement program.
- Expand access to land bank properties and enable private sector non-profits to acquire bundles of lots to support community development.

Partner with health care and other agencies to address endemic health issues in blighted areas.

- Establish effective ways to link code-related housing conditions to asthma triggers. Promote awareness about this link among residents and landlords.
- Target areas with endemic obesity to transform vacant buildings through a collaborative effort to improve community health and provide education, supportive services, jobs and economic opportunities. Facilities can include a grocery store/market, facilities to work with at-risk youths and a teaching facility to educate residents on healthy choices and provide cooking classes. Facilities can also include indoor and outdoor community spaces, a community farm, and office space for related nonprofits.

4. Attract and retain the middle class

THE ISSUE

In the past decade, Dallas has seen a drop in the number of middle income households (between 80% and 120% of area median income). This change is due in part to the fact that Dallas has become remarkably younger than the surrounding area. To remain regionally competitive, Dallas

should retain and expand the City's middle class by focusing on middle income groups that prefer the convenience, culture and amenities of a big city.

Dallas doesn't need to try being something it's not in order to attract the middle class. Dallas can play to its strengths and attract the people who appreciate the best elements of city living – walkable neighborhoods, access to arts, culture, entertainment, restaurants - if there is a greater variety of options for affordable homeownership. Dallas will also be more successful in retaining the middle class if priority is given to providing the neighborhood amenities they seek, most notably infrastructure for healthy living and better school choices.

The middle income groups most likely to locate in Dallas fall into three broad categories, based on market segment analysis:

Baby Boomers

Baby Boomers who are attracted to the amenities of a large city. They have tended to locate in North Dallas, Lake Highlands and around White Rock Lake, own high value single family homes, and enjoy the entertainment, shopping, social life, art and culture Dallas offers. In the future, the challenge will be to retain this group as they age and begin to look for different housing and neighborhood choices. Largely empty nesters, school quality is less important than housing with access to shopping, health care and jobs, safety, healthy living amenities, and neighborhood character.

Generation X and Millennials

Generation X and Millennials are prospering in Dallas and tend to have well-paying jobs. They prefer Dallas for the lifestyle choices. Currently, they are more likely to rent than own, and tend to locate in and around the Downtown (including the higher density areas of Uptown, Oak Lawn, Deep Ellum and Oak Cliff), along the Central Expressway corridor, and the higher density neighborhoods in North Dallas. Some would be potential urban pioneers, seeking out new areas of the city that are improving and attracting new investment. As they age, they will tend to move from rentals to owning homes (but at lower rates than previous generations, regardless of income), while retaining access to the urban amenities that attracted them to Dallas in the first place. Schools, parks and other child-friendly amenities will become increasingly important to this group over time.

Young Middle Income Families

This group of young families tends to be much more diverse, including many Latino and African American families. They prefer Dallas for the access to jobs, the affordable single family housing, and the shopping and entertainment options readily available. They tend to locate in Pleasant Grove, Oak Cliff and at the NE and NW edges of Dallas. Middle-income families tend to move from rentals to single family homes affordable at their income level. They are very family focused, and tend to have excellent credit, good savings, and are motivated to succeed. Their children's future is very important to them, as are neighborhoods that are safe, with good schools, after school activities, sports, and a mix of main stream and ethnic shopping.

DESIRED OUTCOME

The median household income in Dallas rises from 75% of the 4-county area to 85%.

STRATEGIES & PROGRAMS

Brand Dallas as a city of neighborhood and publicize neighborhood assets and programs

- Market the amenities of living in Dallas: Exciting big city/safe cool neighborhoods/historic character/good schools/great parks/libraries/art /theater/restaurants/culture. Engage city residents in this process by tapping into their knowledge and personal experience.

Eliminate barriers to infill development

- Eliminate code barriers such as minimum lot size, excessive setbacks, excessive parking requirements, etc.
- Audit the development process to identify processing, permitting, platting and other issues that make infill more difficult, uncertain or costly.

Support and coordinate with DISD school quality and school choice programs

- Integrate DISD school choice programs with super-neighborhood organization structure to support educational efforts at the neighborhood level.
- Coordinate with targeted neighborhood improvement programs to enable collective impact.
- Partner with other educational institutions for career readiness and certification programs

Home improvement incentive program

- Administer a program that provides a one-time incentive payment to qualifying residents who make improvements to their homes to lower the financial burden on homeowners, encourage reinvestment in neighborhoods, and incentivize prospective home buyers. [For example, Richardson provides a one-time incentive paid to the homeowner equal to 10 times the increase in city taxes based on the property's pre-construction and post-construction appraised value.]

Make neighborhoods more desirable through improved infrastructure, recreation and other facilities

- Through the super-neighborhood unit structure, evaluate amenities and identify, prioritize and fill gaps in infrastructure, parks, recreation and other facilities and services. Focus on opportunities to improve infrastructure to support walking and biking in transit-oriented areas. Take advantage of partnerships and co-location opportunities.

5. Expand homeownership

THE ISSUE

Dallas has 42% owner-occupied households and 58% rental households. The homeownership rate in Dallas is the lowest among its peer cities of Atlanta, Phoenix, Houston, Austin and San Antonio, and far below the national average of 65%. As well, Dallas has a high numbers of upper income renters, and lower income homeowners, presenting both opportunities and challenges. Upper income renters are looking for urban amenities with the flexibility of not having a mortgage. Low income homeowners may need assistance in maintenance and repairs for their properties. The City also has a remarkably high number of single family homes that are currently in the rental market, and which could be returned to ownership with programs to support homebuyers and help with repairs or rehabilitation.

Although Dallas should take pride in attracting the 'millennial rental market,' our challenge will be to keep them when they decide to buy homes by providing ownership opportunities in Dallas neighborhoods that fit their lifestyles and preferences. Dallas needs to make a big effort to

encourage more urban home styles. The City and many potential partners own land in neighborhoods that could be an excellent fit for this growing demographic.

DESIRED OUTCOME

By 2035, the homeownership rate in Dallas has increased to 50%.

STRATEGIES & PROGRAMS

Incentivize builders and buyers by increasing mortgage assistance levels.

- Open mortgage assistance to all parts of Dallas.
- Develop programs to promote down payment savings.
- Partner with banks to expand levels of support to a broader range of incomes (address the 81% to 140% of AMI) Reduce the homebuyer gap for lower middle income families.

Increase the number of eligible loan applicants

- Work with lenders and other groups to build home ownership programs that increase the number of eligible loan applicants
- Expand and consolidate existing educational programs for low-income families and first-time homebuyers on how to manage their finances, delivering customized knowledge and guidance on family finances, smart budgeting and strong credit and saving habits.

Encourage a wider range of housing types to meet emerging preferences

- Ensure that single family housing on small lots are allowed and easy to permit, with a goal of dramatically increasing housing production for households at all income levels.
- Promote alternative housing options for home-ownership such as cottage homes, courtyard homes and townhouses.
- Hold an architectural design contest for innovative designs that expand the palette of infill and small lot housing options.

Develop private sector partnerships to fill gap for housing options up to \$200K

- Support financing for lease to buy programs.
- Allow a broader range of single family development types.
- Reduce the down payment gap of first time homebuyers who are in the lower middle class market. Identify creative options for development of ownership products that are affordable.

Pilot /demonstration projects

- Demonstrate the results of targeting funds to strengthen neighborhoods by improving structures that are vacant and dilapidated and infilling vacant lots.
- Partner with the home builders, TREC and others to develop an Affordable Street of Dreams program that builds quality designed affordable homes in a transitioning neighborhood, using city-owned or land bank properties. Combine with other targeted reinvestment and rehab programs.

6. Enhance rental housing options

THE ISSUE

Dallas has always had a higher rental rate than the region as a whole and this is not unusual for a large central city. Dallas's rental percentage has been over 55% for 25 years. It is important to understand that renting rather than owning is a personal decision that many Dallasites make freely. Households of all incomes are choosing to rent in the city, and quality rental housing affordable to a variety of income levels can be blended into most new neighborhoods. The goal should be to encourage mixed-income neighborhoods across the city, with housing options to fit a variety of incomes, a desire that was echoed by residents who participated in the Inspire Dallas workshops. Quality rental housing can be a positive driver of reinvestment as well as mixed use and retail development, as already evident in downtown and other central neighborhoods.

Concurrently, concentrations of older rental housing (apartments, condominiums and single family homes) in sub-standard condition are a persistent problem in Dallas that must be addressed. Dallas needs to uphold a higher standard for housing conditions and develop viable alternatives for affordable rental housing that are safe and hygienic.

DESIRED OUTCOME

By 2035, the City of Dallas has reduced rental vacancy to 6.5%, and reduced substandard rental housing by 50% or more.

STRATEGIES & PROGRAMS

Develop a rental registration and proactive code enforcement program.

- Require routine inspections of multifamily, condominium and single family rental units; charge for inspection program; inspect all properties in a 3 year cycle.
- Develop an effective program to register and ensure code compliance of condominium rental properties.
- Target investors with large numbers of properties with habitual code violations. Address maintenance, health and safety issues related to overcrowding.

Improve design standards for multifamily development

- Strengthen incentives for developers to provide family-friendly amenities such as play areas, open space and childcare. Also, ensure that multifamily developments do a better job of integrating and blending in with surrounding neighborhoods.

Require affordable housing in projects receiving public funds or other city entitlements

- Promote mixed income projects and preservation of affordability in revitalizing areas by enforcing city policy to require projects receiving public funds to provide 20% of the units in affordable housing.
- Establish a policy to require affordable units in projects requesting zoning changes that result in increased residential density (% tied to density increase).

Create a joint program to align planning, funding and community investments with transit and transportation planning to support transit-oriented development

- Pursue partnerships with DHA, DART and other agencies to take advantage of publicly-owned land near transit, as well as available housing funding sources to promote transit-oriented, mixed-income residential development.
- Through the super-neighborhood unit structure, evaluate amenities and identify, prioritize opportunities to improve infrastructure to support walking and biking in transit-oriented areas.