

HOUSING ASSESSMENT

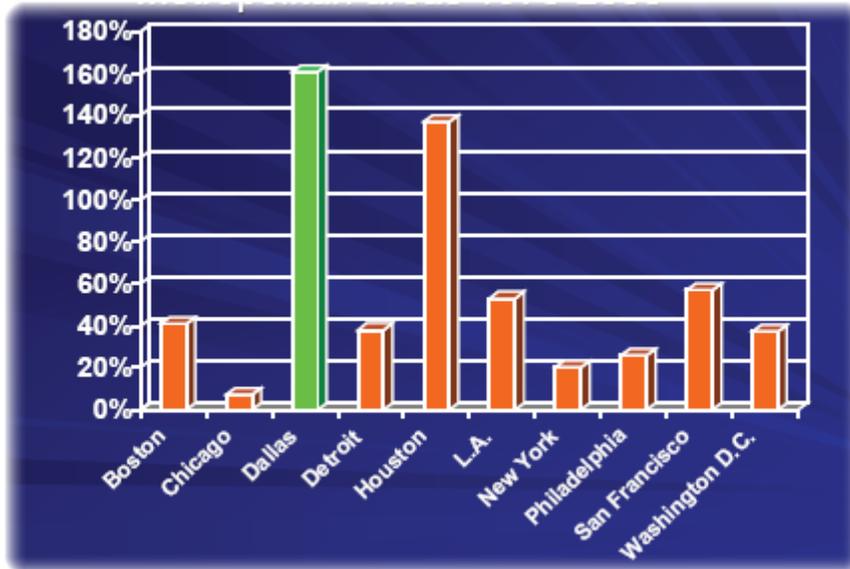
CURRENT HOUSING IN DALLAS

In the 2000 census, Dallas had 451,833 occupied housing units and had a higher percentage of rental units than other cities in the region. The 2000 census showed that of the roughly 452,000 housing units in Dallas, 57 percent were renter occupied and 43 percent owner occupied, compared to 60 percent owner occupied for the Dallas-Fort Worth region.¹

Since 1970, and even since 1990, the Dallas-Fort Worth region showed a rapid increase in rental housing compared to other metropolitan areas. Since 1970, rental housing increased by 161 percent in the metroplex region, compared with 53 percent in Los Angeles and just 2 percent in Chicago.

At the end of the third quarter of 2005, the average price for a home in Dallas County in was \$204,400, making Dallas is one of the most affordable housing markets in the country when compared to its peer group of rapidly growing metropolitan areas. Even so, Dallas lags behind other cities nationwide in terms of homeownership rates.

Figure 1: Change in rental housing trends in selected metropolitan areas, 1970-2000



Source: U.S. Census Bureau

Types of Ownership Housing

According to the 2000 census, the majority of residents in both the Dallas-Ft. Worth region and Dallas County live in owner-occupied housing. Of all residents living in the Dallas-Fort Worth region, 65 percent

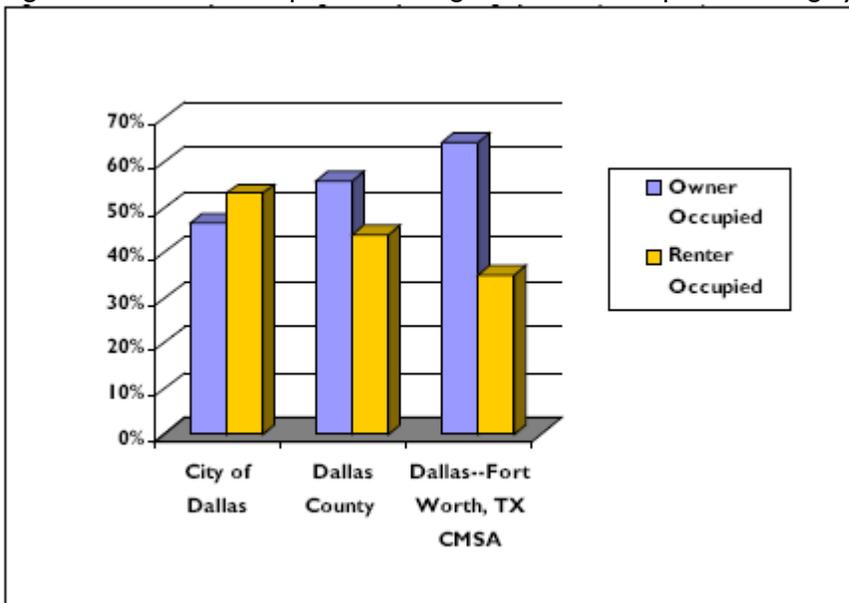
1 Based on Census 2000 SF1 – H4 Tenure of Occupied Housing Units

2 Based on Census 2000 SF3 – H33 - Total Population in Occupied Housing by Tenure by Units in Structure

live in ownership housing, as compared to 56 percent for the county and only 47 percent for the city.² In terms of unit types, most people who live in owner-occupied housing live in single-family homes and only a small proportion live in attached homes or condominiums. The following figure illustrates the breakdown of owner-occupied housing by unit type.

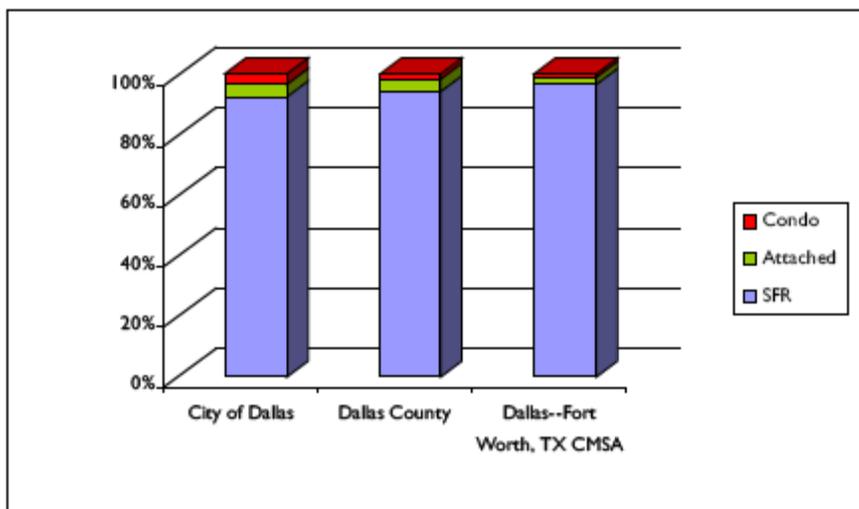
Clearly, the pattern of ownership within the city, county and region are similar, with the majority of residents living in single-family homes. Within Dallas, however, the majority of residents are not homeowners, and unlike the county and region, the city has a greater diversity of housing types and a much higher percentage of renters. The following examines Dallas housing costs.

Figure 2: Percent of Population Living in Owner-Occupied Housing by Tenure



Source: U.S. Census Bureau

Figure 3: Percentage of Population Living in Owner-Occupied Housing by Unit Type



Source: U.S. Census Bureau

RENTAL HOUSING

Types of Rental Housing

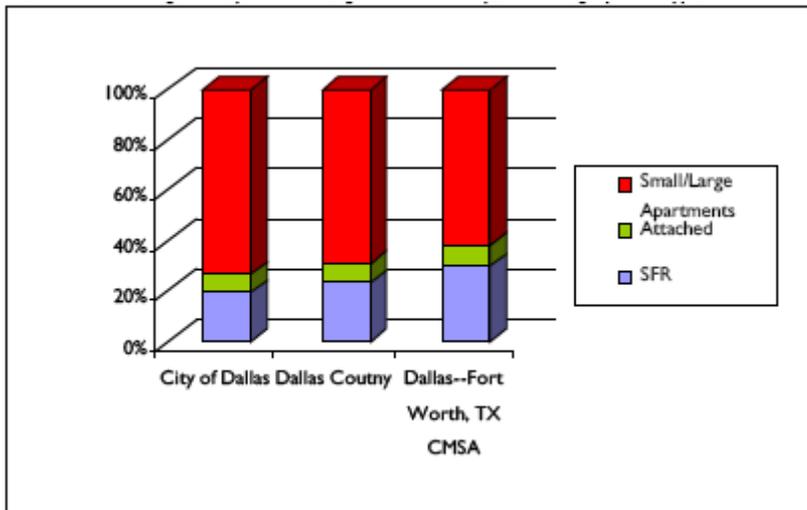
A greater percentage of Dallas residents are renters, when compared to the region and the county. As a percentage of population, Dallas has almost 20 percent more renters than the region and over 10 percent more than the county. Dallas also has the smallest percentage of single-family homes on the rental market, and includes the largest share of renters living in apartments.

Of rental housing, at the county level almost 25 percent of the occupied units are single-family homes, compared to less than 20 percent within the city. In the region, about 30 percent of the occupied rental units are single-family homes.

A major difference between the city, county and region is the number of small and large apartment complexes. Proportionally, Dallas has the highest amount of large (more than 50 units) apartment complexes. This difference is even more striking when comparing the proportion of small and large apartment complexes as a percent of total housing units (including ownership).

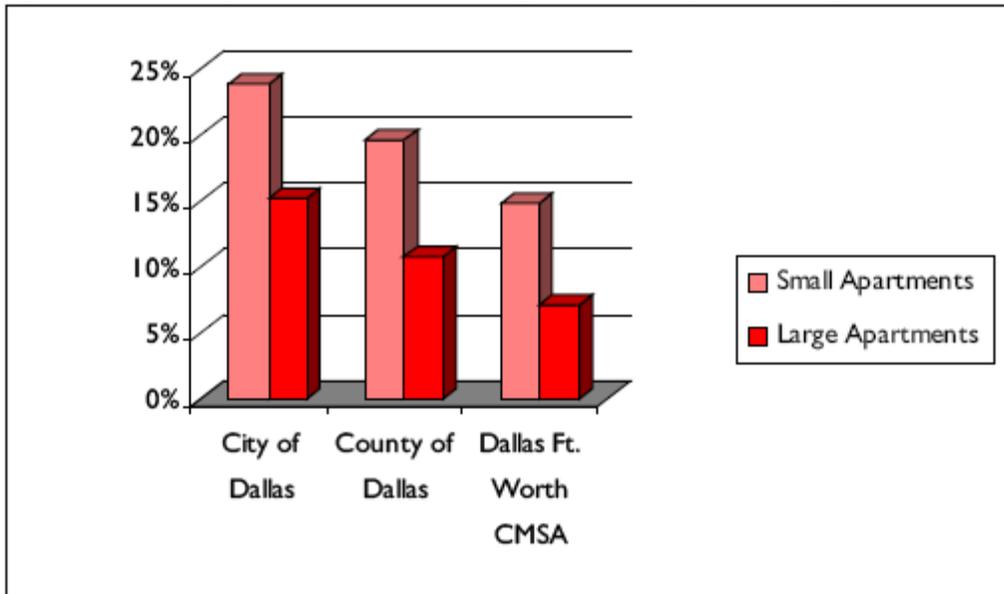
Dallas clearly accommodates more apartments than the county or region and Dallas has the largest proportion of renters in large, concentrated rental apartments. Dallas must provide more opportunities for ownership within the city and begin to diversify the types of ownership housing available.

Figure 4: Percentage of Population Living in Renter-Occupied Housing by Unit Type



Source: U.S. Census Bureau

Figure 5: Rental Apartments as a Percentage of all Occupied Housing Units



Source: U.S. Census Bureau

RECENT HOUSING TRENDS (2000 TO 2005)

Single-Family Residential

From 2000 to 2005, about 12,600 building permits were issued for single-family homes in Dallas with about 12,300 units built during that period. The majority of units built, roughly 12,000, were for one-unit single-family homes. The average value for all of these homes was \$131,000 each.

MultiFamily

During those same five year, about 1,500 building permits were issued for multifamily housing. These 1,500 permits added about 20,000 new units in Dallas, almost twice the number of single-family units built during the same period. Of these 20,000 units, only 1 percent was for two-family homes and 4 percent were for group quarters. Of the total, 95 percent were multifamily housing. The average value of the two-family units was \$117,000 each and multifamily buildings averaged at \$640,000.



Traditional large lot single-family homes cannot be the only ownership option if Dallas is to accommodate ownership demand in the future. Higher density attached housing, like this, will provide more ownership opportunities in Dallas.

OWNERSHIP PATTERNS

Current Trends and Future Demand

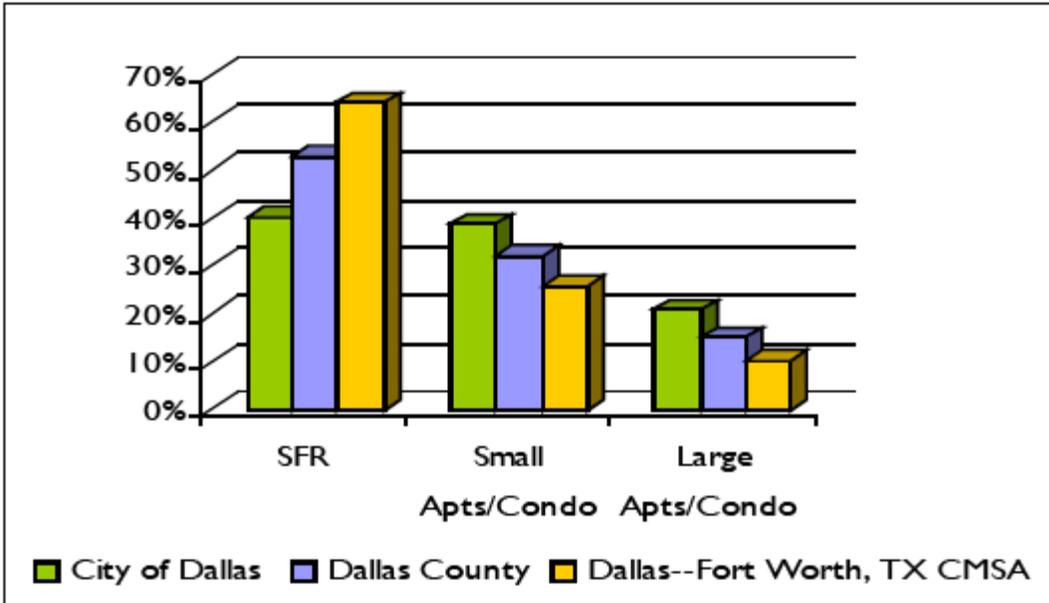
Current Housing Trends

Dallas adult residents under the age of 45, and especially those under the age of 24, tend to live in apartments. The percentage of people, regardless of age, living in single-family homes is lower in Dallas than in the rest of the region.

Most older Dallas residents, however, live in single-family homes. The national trend is for those older than 65 to move to smaller, attached houses or condos. In Dallas, however, even above the age of 75, the majority still live in single-family homes. It is important to remember, however, that the 65 years or older age group is smaller than others and the actual number of people in this age group living in single-family homes is far less than other age groups.

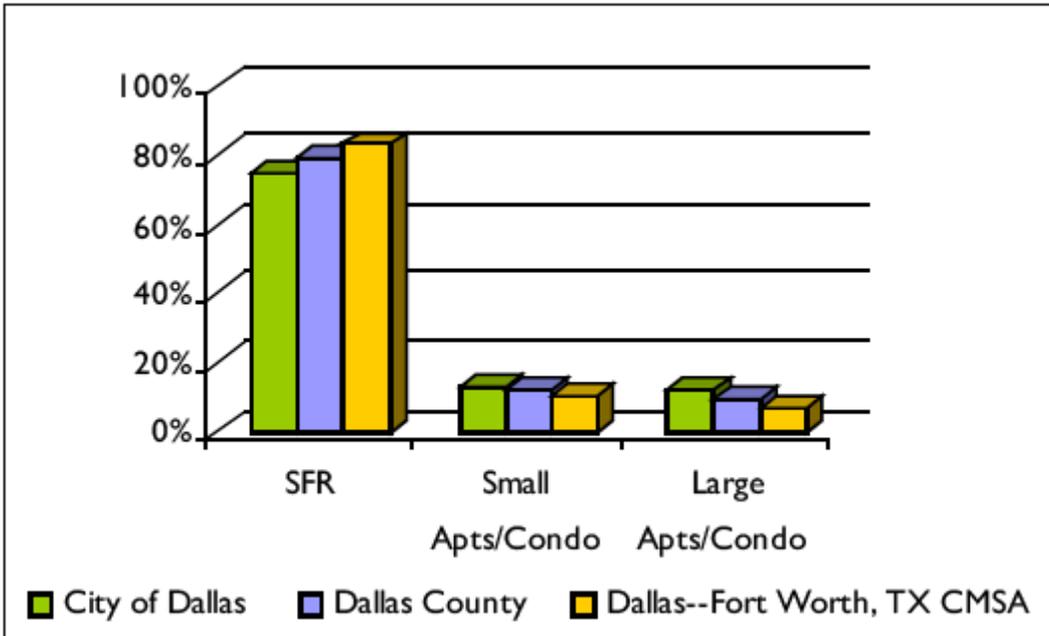
However, it is clear that single-family homes dominate the Dallas ownership market at all age levels, in part because this was primary viable option for ownership in the city. Recently, more townhouses and condominiums have been developed.

Figure 6: Distribution of Housing Unit Type by Age of Householder Renters and Owners, Ages 25-44



Source: U.S. Census Bureau

Figure 7: Distribution of Housing Unit Type by Age of Householder Renters and Owners, Ages 65 and Above



Source: U.S. Census Bureau

Future Demand

By 2030, Dallas County is predicted to add about 1.2 million new residents over today's population. And roughly half of those new residents are expected to live in Dallas. According to the Texas State Demographer, 60 percent of the incremental population growth in Dallas County will be people over the age of 45 years. (See Table 1, next page.) Over half of that growth, 25 percent of the total, will be people over the age of 65.

These age groups tend to have higher rates of homeownership and based on past trends, that would primarily be single-family homes. Because Dallas is land-locked and cannot expand farther, there is not enough vacant land within the city to accommodate 600,000 additional residents the city anticipates arriving by 2030 in single-family homes.

Dallas can respond to these changing market conditions and still accommodate future population growth. A shift toward creating more single-family attached homes, such as townhomes and condominiums, will accommodate a growing and aging population. Other regions of the country are seeing increased popularity in this type of ownership housing and buyers averse to long commutes will gladly give up a large lot for more leisure time and convenience.

Table 1: Incremental Population Growth by Age in Dallas County

Age Group	Total Population	Percent of Total
<18	213,589	18%
18-24	87,441	7%
25-44	179,176	15%
45-64	410,713	35%
65 +	290,820	25%
ALL	1,181,739	100%

Source: Texas State Demographer

ETHNICITY

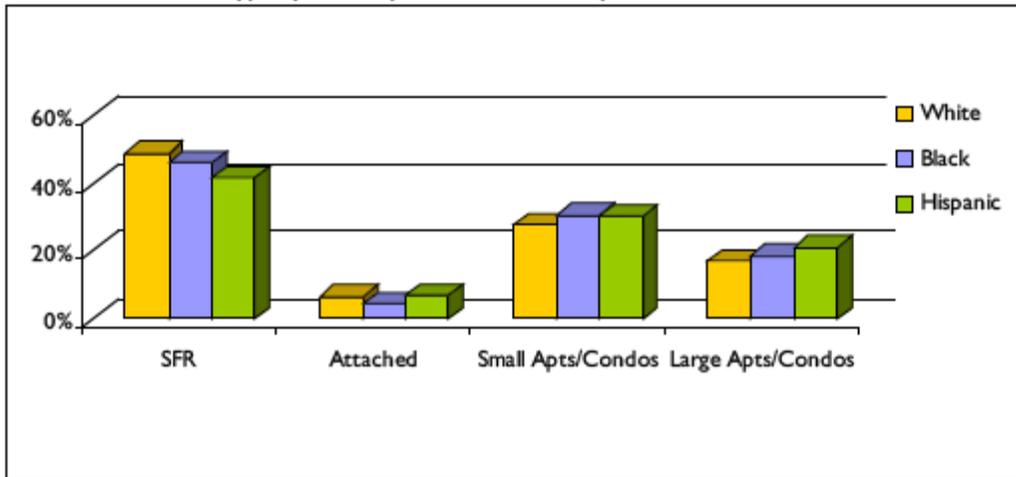
Current Trends and Future Demand

Current Housing Trends

An assessment of current housing trends by ethnicity indicates that regardless of ethnic background, people within the city have more in common with each other than with the region. In Dallas, 49 percent of white households live in single-family homes, close to the 46 percent of Hispanic households and 42 percent of black households which are in single-family homes.

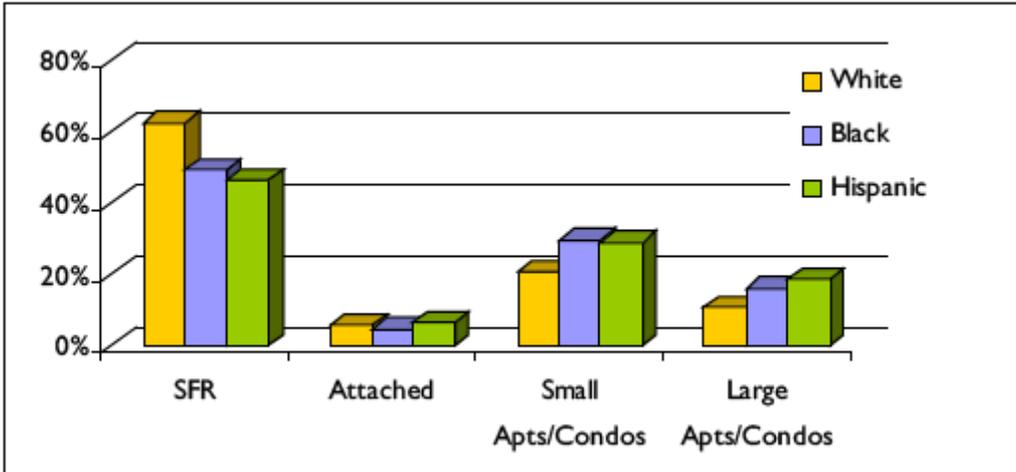
The percentage of Hispanics and blacks living in single-family homes is similar across the city, county and region. At the county level, 46 percent of all Hispanic households live in single-family homes and 53 percent at the regional level. At the county level, 49 percent of black households live in single-family homes and 52 percent across the region.

Figure 8: Household Type by Ethnicity of Householder, City of Dallas, 2000



Source: US Census Bureau

Figure 9: Household Type by Ethnicity of Householder in Dallas County, 2000



Source: US Census Bureau

While Hispanic and black households tend live in a range of housing types, with almost half living in single-family homes, a very small proportion living in attached housing and almost half living in small or large apartment complexes. The high proportion of renters across racial and ethnic lines suggests that race and/or ethnicity is not a significant factor in determining housing type. The high proportion of renters in Dallas is likely attributable to the fact that Dallas is the destination for both international and domestic migration.

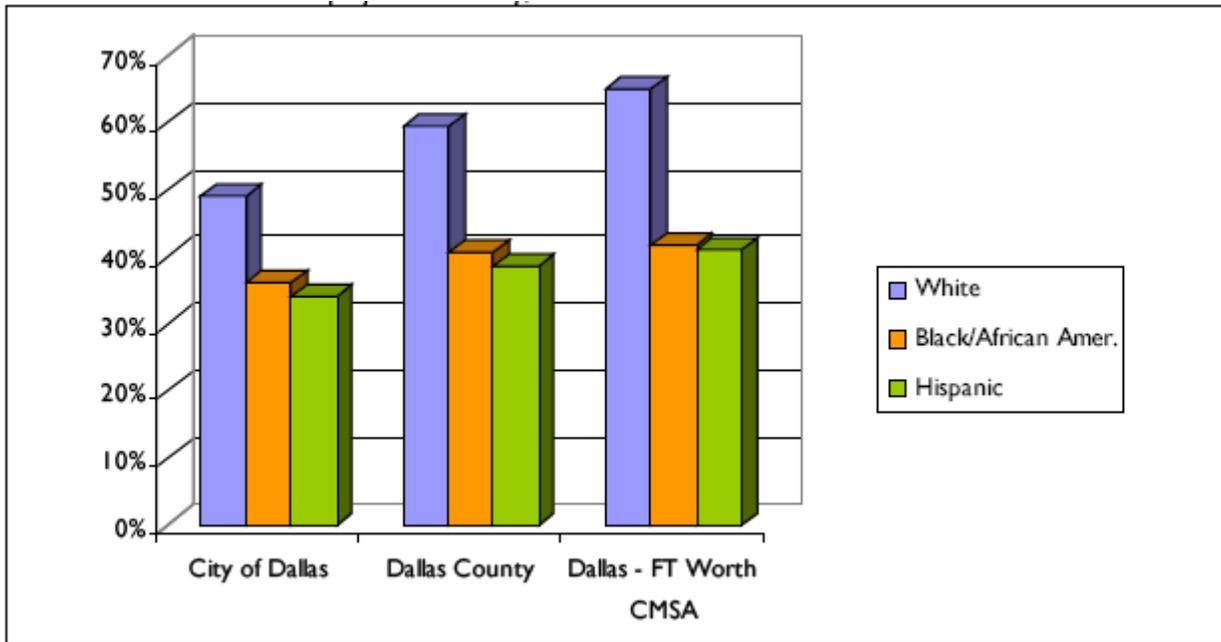
According to the 2005 State of the Nation’s Housing Report, produced by the Joint Center for Housing Studies at Harvard University, the proportion of minority renter households is growing. As defined by that study, Dallas is considered one of 10 “gateway metro areas.” These areas have the 10 largest shares of foreign-born households and on a national level, the minority share of renter households jumped from 31 percent to 43 percent between 1993 and 2003. The study noted that by 2003, “immigrants headed 16 percent of all renter households and almost 30 percent of all minority renter households ... with the immigrant share among Hispanic renters even higher at 54 percent.” This trend is quite obvious in Dallas

when looking at race and tenure. For the white population, the majority living in the county or region are homeowners and for the city, almost half of the white households are homeowners. Only 34 percent of Hispanic households own their own home in the city and about 36 percent of black households own their home.



Townhouses and condominiums will be integral to provide more ownership opportunities in Dallas.

Figure 10: Percent of Ownership by Race/Ethnicity, 2000



Source: US Census Bureau

Future Demand

According to the Texas State demographer, Hispanics will account for the lion's share of population growth in Dallas County by 2030. Blacks and other ethnic minorities will account for the remaining

population growth and the county will show a net loss of almost 300,000 white residents. (See Table 2, below.)

Future housing demand in Dallas should be tailored to meet the preferences of its population. Based on the assessment of current trends, large and small apartment complexes and condominiums will be needed to accommodate some future growth. In lieu of single-family detached homes, higher density housing that provides ownership opportunities will be necessary. Furthermore, targeted efforts to increase homeownership among blacks and Hispanics will be critical to increasing the percentage of homeowners in the city, county and region.

Household Income

City residents on average have less income than their counterparts in the county, region and nation as a whole. Dallas residents earn only 87 percent of the county median household income, and only 79 percent of the region’s median household income. The table (below) shows the median household income in 1999 dollars for the nation, region, county and city.

Table 2: Incremental Population Growth by Ethnicity in Dallas County

	Total	Anglo	Black	Hispanic	Other
Total	1,181,739	-297,634	132,517	1,223,983	122,873
% of Total	100%	-25%	11%	104%	10%

Source: Texas State Demographer

Table 3: Household Income Comparison

	United States	City of Dallas	Dallas County	Dallas - Ft. Worth CMSA
Median household income in 1999	41,994	37,628	43,324	47,418

Source: US Census Bureau

NEW HOUSING NEEDS

In calculating future demands for new housing, Dallas must develop its plans for housing in the context of a metropolitan region. The city must be sensitive to the needs of its citizens, especially lower-income residents, for affordable units. And as the central city of a region nearing the end of its vacant land supply, Dallas will have more multifamily units in the future than the regional as a whole.

Yet the exclusionary zoning policies of some surrounding cities have forced affordable units into cities, like Dallas, that have been more accommodating. This creates a situation where large areas have concentrations of affordable housing, a recipe for numerous urban ills. In order to remedy this, it is Dallas' policy to develop more owner-occupied housing, correcting for the past over-concentration of rental housing in the city.

The housing mix developed for forwardDallas! is primarily driven by projections of household income. In setting its goals, forwardDallas! uses the income distribution of the current Dallas County population as a model. Income distribution is important to consider because creating mixed-income neighborhoods will be an important aspect of a City housing program which strives to set reasonable targets for increasing the percentage of homeowners among disadvantaged groups and increasing Dallas' share of the more financially prosperous population.

Future Population

According to the Texas State Demographer, Dallas County is expected to grow by about 1.2 million people by 2030. ForwardDallas! predicts about half of that increase, or 600,000, residing in Dallas, which would create about 220,000 new households.



By locating housing near services and transit, residents will have more choice about where they live and how they get around.

Based on the current distribution of incomes in Dallas County, this would mean that the following would be the distribution of future incomes of the new Dallas households:

Table 4: Distribution of Future Income Dedicated to Housing

	Vision Forecast	% of Total
\$0	17,914	8%
\$250	23,580	11%
\$500	14,617	7%
\$625	15,294	7%
\$750	15,155	7%
\$875	13,927	6%
\$1000	43,835	20%
\$1500	23,058	10%
\$1875	22,498	10%
\$2500	11,676	5%
\$3125	5,707	3%
\$5000	12,741	6%
Total	220,000	100%

Source: US Census Bureau, FCA

The federal Housing and Urban Development guidelines recommend that no more than 30 percent of household income be spent on housing costs. It is anticipated, then, that future residents could afford the following rents or purchase prices (assuming a conventional mortgage at 6 percent interest with a 10 percent down payment):

Developing Dallas Housing Targets

While the city is not a housing provider, it does have a significant role to play.

- The City impacts the housing supply by regulating land use.
- The City provides one of the key inputs to housing—public services such as sewer, water, and paved streets.
- The City is an active participant in infill projects when it provides incentives such as tax increment financing and tax abatements.
- Through its Housing Department and cooperation with nonprofit Community Development Corporations, the City influences housing production directly.
- The City Council can significantly impact housing by promoting and advocating specific housing policy.



Table 5 identifies these household income targets and if achieved they would provide Dallas with a proportional share of the new households in the county. For these households to move into Dallas, they must be able to find (and developers must be able to build) housing they want and can afford.

NEW HOUSING SUPPLY

Forward Dallas! Vision

The forwardDallas! Vision foresees the kind of livable community that will attract its share of the region's growth. It is projected that the Dallas-Fort Worth region will grow by about 3.5 million people by 2030. ForwardDallas! aims to capture about 17 percent of that growth, about 600,000 new people. Not every type of household will move to Dallas equally—large central cities have qualities that attract specific kinds of residents. Central cities typically have more single-person households, more households at both the high end and the low end of the income scale, fewer families with children and more foreign-born residents. Dallas' demographics mirror this description. Dallas needs to understand its target market, emphasize what attracts people, and not try to design itself as a large suburb.

One of the main challenges to occur during planning will be how to develop vacant land in the city. Dallas in the future will add few of what has been the dominant segment of the owner-occupied housing market, the single-family home. Since this is a diminishing product of Dallas, and since suburbs will be far more successful at attracting those who are most interested in this housing segment, Dallas needs to develop its skills at encouraging alternatives to this product that fit the small site, infill and urban market that make up its future.

Of the roughly 220,000 new units forwardDallas! envisions being added by 2030, only about 57,000 will be traditional single-family homes largely because there simply is not enough land to accommodate many more. The larger the lots for new houses, the fewer single-family homes will be built in Dallas. When the remaining vacant land is developed, there will be practically no new single-family subdivisions built.

Dallas now must focus on developing an entire spectrum of alternative ownership housing products. Of that 220,000 units to be added to the city, about 87,000 will be condominiums, high-rise condos or townhomes. Chicago, for instance, adds this number of condos and townhomes every decade but this would represent a change for Dallas and yet represents only about 5 percent of regional growth.

Dallas needs to develop the housing styles and neighborhoods that successfully attract those interested in urban housing. By comparison, Cook County, which includes Chicago, as a region has half the growth rate of Dallas and a population of 3 million. Yet it added 125,000 new units from 1990 to 2000. This is clearly within Dallas' abilities, and the forwardDallas! Land Use Element provides the locations and conditions for this growth.

FORWARD DALLAS! ADDRESSES HOUSING NEEDS

Matching Need and Supply by affordability

ForwardDallas! attempts to match the need for housing with the supply of land. If Dallas is to achieve its goals, it must create the zoning capacity to accommodate significant additional housing. Table 5 matches household incomes with the housing types that would be financially feasible and then relates that to the housing capacity created in the Forward Dallas! Vision.

Housing Supply in the Forward Dallas! Vision

ForwardDallas! is based on the Vision scenario, which serves as the foundation of the Land Use Element. It is important that the housing plan match that scenario. The land use model, the Vision Building Blocks and the areas targeted for development and redevelopment will produce the kind of housing that meets the income, age and ethnic mix of Dallas several decades from now. The Vision also addresses the desire that more residents own their own homes and thus foresees that 49 percent of the future housing supply is rental—a generous figure compared to almost any other regional city, but well below today’s 57 percent rental rate.

One issue facing future housing demand is to provide 31,000 units needed for below-market homes. These future households will not be able to afford even the least expensive rental units in Dallas and will have to access programs or strategies that will rehabilitate older units or provide co-housing, home sharing and other strategies.

Table 5: ForwardDallas! Vision Housing Capacity by Housing Type

Monthly Rent or Payment	Below Market	Apt	Condo	Townhouse	SFR Small	SFR Med	SFR Large	Hirise Condo	Total Units	Feasible Purchase Price
\$0	17,914								17,914	0
\$250	11,790	11,790							23,580	\$ 37,165
\$500		14,617							14,617	\$ 74,330
\$625		9,177	765	5,353					15,294	\$ 92,913
\$750		5,304	758	9,093					15,155	\$ 111,495
\$875		2,785	1,393	7,660	2,089				13,927	\$ 130,078
\$1000		4,383	4,383	15,342	9,863	6,575	3,178	110	43,835	\$ 148,660
\$1500		1,153	6,917	5,765	4,612	2,306	1,153	1,153	23,058	\$ 222,990
\$1875				7,874	2,812	3,375	4,500	3,937	22,498	\$ 278,738
\$2500				2,919	2,335	2,335	1,751	2,335	11,676	\$ 371,650
\$3125						2,283	571	2,853	5,707	\$ 464,563
\$5000						637	5,733	6,370	12,741	\$ 743,301
Demand	29,704	49,209	14,216	54,006	21,711	17,511	16,886	16,758	220,000	
Vacancy Rate	1,782	2,953	284	1,080	434	350	338	335	7,557	
Total	31,486	52,162	14,500	55,086	22,145	17,861	17,223	17,094	227,557	
Annual Rate	1,259	2,086	580	2,203	886	714	689	684	9,102	

KEY INITIATIVES FOR HOUSING

Targeting Demographic Groups and their housing preferences

Traditionally, ownership housing development in Dallas has been devoted to single-family detached homes. But as the population of Dallas changes, this will be just one of several types of viable housing options. Dallas and developers working in the city must target particular demographic groups when creating successful housing products. The following major demographic groups will make up the population in Dallas by 2030. These demographic groups have largely been overlooked in the past.

Cultural and Ethnic Preferences

Increasingly Dallas' population will be foreign-born Hispanics and developers would be wise to concentrate on housing that responds to the cultural and ethnic preferences of this future population. In general, new immigrants tend to gravitate toward existing ethnic neighborhoods because of familial support and culturally sympathetic institutions such as churches. These neighborhoods also provide access to goods and services that may not be attainable elsewhere in the city and thus end up becoming a destination for tourists and area residents. Preservation of and investment in existing ethnic neighborhoods will be an important part of Dallas' housing strategy as it seeks ways to encourage housing and programs that enable ownership opportunities for future residents in these areas.

The Urban Market

In the past 20 years, central cities across the United States have been transformed from decaying business districts to lively urban centers. Downtown areas are favored by some as an area not only to work but also to live and play. This urban market tends to be more densely developed, and typically includes employment, residential and retail services. Empty nesters have led this renaissance as they look for homes that are smaller than what they needed for raising a family, that require less upkeep, and are closer to entertainment, work and services found in urban centers. These empty nesters generally prefer to own their home and thus gravitate to condos and townhomes. Likewise, young professionals, with good incomes and no children, are attracted to the bustling urban environment which provides a myriad of entertainment, services and transportation choices. Students and artists are also attracted to urban markets which often offer lots of rental opportunities, have good access to transit, employment and services.

A significant proportion of new households in higher density urban areas such as the Downtown District, Urban Neighborhood Districts and Main Street Districts will include these groups of people. The City should focus on creating homeownership options and an array of housing products in these urban market areas.

The Transportation-Efficient Market

Many households do not want or cannot afford to own one car per working member and additionally want to cut the time and money they spend traveling to work, school and entertainment destinations. If Dallas residents are able to rely on an efficient transportation network for their daily needs, they will not need to own as many cars and in some cases, owning a car will become a matter of choice rather than necessity.



A transportation network that is coordinated with residential development is critical to the success of the forwardDallas! Vision and at the same time will attract those homeowners who want to use public transit and reduce their own transportation outlays.

The Wealthy Urbanite

As a regional hub for commerce and culture, Dallas holds a certain allure but there is room for it to improve its cosmopolitan image. Adding Downtown high-rise condos, with a broad offering of amenities, would entice wealthier, urban savvy residents who prefer the complexity of city life to the urban center and other mixed-use urban districts.

The Work Transplant

As Dallas enhances its economic base, more people will move to the city to take advantage of these job opportunities. The City must work with employers to locate new employees throughout the city and at the same time offer a range of housing choices near employment centers and transportation, enabling workers to have more choice about where they live and how they choose to commute.

Affordability in the Plan

Moderate and low-income families often must pay more than the recommended 30 percent of their incomes toward living expenses. Dallas still has relatively low housing costs but typically Dallas residents earn less than the average American and as Dallas grows and land becomes scarcer, the cost of housing will inevitably rise. As housing costs rise, so do property taxes and associated costs of homeownership. Establishing mechanisms to ensure a reasonable supply of affordable housing in Dallas and throughout the region is critically important to achieving the goals of forward Dallas! The following examines areas the City can focus on to ensure the need for affordable housing is addressed and met.

Public Subsidy

Public subsidies for affordable housing are an important resource for local governments, but they cannot and should not be the only means to address housing needs. Past federal programs emphasized construction of government-owned housing and provided state with financial resources to develop housing for urban poor. That responsibility of developing and subsidizing affordable housing has largely moved to the local level although the federal government still plays a role in providing housing subsidies.

The trend now is toward distributing public subsidies to private developers to create low-income rental housing and homes available to low-income buyers. The largest federal program aimed at providing affordable housing is the Low Income Housing Tax Credit (LIHTC). The LIHTC gives private for-profit and nonprofit developers a dollar-for-dollar tax benefit to provide affordable housing. Tax credits are awarded to developers of “qualified projects,” which generally include a specific number of affordable housing units and a provision that these units will remain “affordable” for at least 30 years. Developers can sell the tax credits to investors to raise capital for the project. This enables the developer to charge lower rents because the cost of development is reduced.

In addition to LIHTC, state and local governments can provide affordable housing through subsidies. Property tax abatements and tax increment financing are forms of public subsidy that can be used to offset



overall development costs. Relying solely on government financing to provide low-cost housing is a short-sighted strategy. Rather, the City should strive to develop policies that make affordable housing more profitable. Some examples include accelerating the entitlement process for developers building projects consistent with the Vision that include a certain amount of affordable housing.

Community Development Corporations

Since the 1960s, Community Development Corporations (CDC) have become important and effective in creating affordable housing. CDCs have strived to revitalize communities and develop affordable housing. What differentiates CDCs from other community-based organizations is that CDCs have assets either in real property or through the management of property and often are very involved in representing the community in terms of land use decisions. These organizations can have a significant amount of influence if positioned correctly. A board of directors, made up of stakeholders from the community, governs a CDC, which then works with private developers, public agencies, financiers and intermediaries to develop real estate within its community.

CDCs' importance is growing as public funds for affordable housing shrinks but are often hampered in their goals because they often do not have the technical or financial capacity to develop large tracts or a large number of projects. In some places, this is changing as intermediaries who can provide the technical assistance get involved. The Enterprise Social Investment Corporation (ESIC) and the Local Initiatives Support Corp. (LISC) are two important organizations that have helped CDCs nationwide transform into sophisticated real estate development organizations. ESIC works with CDCs to develop housing using the federal Low-Income Housing Tax Credit. ESIC is a tax credit syndicate organization and works as an intermediary between CDCs and private investment groups. LISC provides technical support to CDCs to improve their capacity and to promote neighborhood revitalization through grassroots efforts. A local private, nonprofit organization, Foundation for Community Empowerment, does work similar to LISC in providing technical support and capacity development for CDCs.

Community Land Trusts (CLT) also are agents for developing affordable housing. A Community Land Trust provides affordable housing using land leases. A CLT purchases land, usually at below-market rates by working with public and private landowners. When a CLT purchases and retains ownership of the land, the cost of ownership is reduced because the land cost is removed from the housing price. The CLT then works with a CDC or other developer to create housing, commercial or industrial sites.

Once the land is developed, the CLT retains title on the land and sells the improvements. The price for a “ground lease home” is reduced because the land’s value is not included. Most CLTs specialize in housing and these houses are sold as a simple fee estate to qualified applicants who must be below a specific income threshold defined by the CLT. The land the home is built on, owned by the CLT, typically is leased for a period of 99 years to the homebuyer.

The ground lease provides access to homeownership opportunities to those who would not otherwise have it and often requires that when the initial homebuyer decides to sell the new purchaser also must be a specially qualified applicant. These rates differ between organizations, but usually most Community Land Trust homeowners realize some equity on their investment. Because the home is sold to another applicant,



and sales are restricted through the land lease agreement, a CLT can provide affordable housing in perpetuity.

The Burlington Community Land Trust in Vermont is recognized across the country. BCLT's primary mission was to help revitalize the waterfront and old North End neighborhoods without displacing residents while creating affordable housing options in the area for future residents. In 1984, then Mayor Bernie Sanders broke ground by providing a \$200,000 grant from the City of Burlington to create the first municipally funded Community Land Trust in the country. Since then, the city has remained a strong partner with the BCLT and Burlington remains the only municipality in the nation that provided the start-up funding for a CLT with tax dollars. The BCLT serves as a model for other CLTs and is heralded as one of the most successful land trusts in the country.

CDCs and CLTs can serve an important role in Dallas, particularly in the long-neglected Southern Sector. The City should encourage community-based organizations by providing support and working with national organizations such as LISC, ESIC and the Institute for Community Economics to foster the development of and increase the capacity of CDCs and CLTs throughout Dallas.

Affordable Apartments

Code Issues

In Dallas, code enforcement at low- and moderate-income apartment complexes has been an ongoing problem, primarily because of the complexity of the City's current zoning policies and a lack of consistent and objective codes and zoning regulations. Establishing consistent, objective zoning standards will contribute to successful code enforcement.

Code enforcement can ensure that the character and quality of a neighborhood is maintained and even enhanced. Landowners can be held accountable for their actions and the City can take a greater role in ensuring that residents' interests are protected. This activity will have a twofold benefit—the public's trust of government will improve and all residents will enjoy these cleaner, safer complexes.

Density Bonuses for Affordability

Density bonuses entice developers to provide affordable housing throughout the metro region by enabling developers to build housing at a higher density than allowed under current zoning, as long as they include a certain number of affordable units. The density bonus enables developers to offset the costs of providing affordable units by creating more market-rate housing units than would typically be permitted. Density bonuses should be provided to developers who propose project consistent with Vision Building Blocks.

Co-Housing

Co-housing, a cross between a single-family house and a communal living arrangement, is an alternative housing option that is based on collaboration between and among community members. Co-housing is characterized by separate living quarters, which each including a kitchen, bathroom, bedrooms and other typical rooms but also including extensive community facilities. Co-housing communities are built as



cohesive neighborhoods in which residents are actively and consciously involved in the management of the communal areas and participate regularly in community related activities. The Co-Housing Association of the United States defines the main characteristics of co-housing as including a participatory process in designing and managing the community; a neighborhood design that fosters a sense of community; common facilities that are used and managed by residents; resident management; non-hierarchical structure; and finally, communities are not designed to be a community economy. Residents have jobs, send their children to neighborhood schools and engage in life outside the community but choose to live collectively.

SHIFTING FROM THE SINGLE-FAMILY RESIDENTIAL PATTERN

Inclusionary Units

Inclusionary zoning can be used to help moderate- and low-income families across the region and will be particularly useful in areas where multifamily housing has not been permitted. This approach could help disperse affordable housing, avoiding concentrating low- and moderate-income housing within specific areas in Dallas. Ordinances could be designed to foster housing that maintains the character of the existing residential community and coordinates it with transit and other services.

Requiring the private sector to develop below-market housing means that the additional costs have to be borne by other for-profit units in the complex. A few below-market units required by inclusionary codes can raise the prices of the other units by tens of thousands of dollars. Thus the City or other entity should use this only when participating as a partner, offering subsidies for housing, or other forms of financial assistance such as tax increment finance or tax abatements.

In areas where public subsidies, such as tax abatements or tax increment financing, are being used, policies should require developers to include a certain percentage of affordable housing units. This should be defined in advance so developers know before entering an agreement that they must develop a certain percentage of affordable housing. This can be applied either through the zoning ordinance or through special agreements on a case-by-case basis.

Dallas must shift away from building primarily single-family homes to building primarily other types of homes, more in line with the forwardDallas! Vision. An innovative approach to housing would include redevelopment and infill development and a variety of housing options that add character to the city and provide residents with more choices. The following briefly describes the housing types that have been included in the Forward Dallas! Vision.



New Building Types

Ground-Related Ownership Housing

Ground-related housing refers to housing that is generally one or two stories tall and either detached or attached single-family homes.

Smaller Lots

The average single-family home lot size in Dallas is a quarter-acre, roughly 10,000 square feet. With only 10,000 acres of prime developable residential land left in the city, sustaining this trend is not an option. Reducing the lot size for single-family homes is one strategy the city should employ. ForwardDallas! includes only 57,000 new single-family homes, of which approximately 22,000 are recommended to be built on lots of 5,000 square feet or less.

Patio Homes

Patio homes are a fee simple alternative housing option that feature the qualities preferred in a single-family home but that take up less space and require less maintenance. Patio homes are generally one story detached homes that are sometimes designed in groups of four to 10 units, arrayed around a small green space or pocket park. Patio homes generally require membership in a homeowners association and may include fees for maintenance. These homes are attracting a diverse group of people and can provide homeownership opportunities for those just entering the market and for those who have sold their larger home but still want to own their own home. They offer some of the advantages of townhomes, such as low maintenance, with the clear ownership of the entire unit, simplifying everything from insurance to roofing.

Townhomes

Townhomes are similar to patio homes except that they are generally two stories tall and designed in a compact arrangement. Townhomes are also fee simple estates, are attached to other townhomes and, like patio homes, generally require homeowner association membership which provides maintenance and other services. These homes, generally in more densely developed urban areas, fit well in residential neighborhoods. Townhomes can be used as infill development, in sizes as small as two or four units per building on lots as small as 10,000 square feet, providing new ownership options.

Condominiums

A condominium is a form of co-ownership of real estate. Condo owners retain fee simple ownership over a unit, generally defined as the air space within the walls of the unit itself. Tenants in common ownership prevail for all other common areas such as a swimming pool, elevators, etc. Condos are physically separated from other units and many condominiums are built in low- or high-rise buildings. Many condominiums have been developed by converting apartments.

Mixed-Use Condominiums and Lofts

Mixed-use condominiums and lofts share the same ownership structure as described above. These owner-occupied units, however, are in mixed-use environments where the ground floor and potentially the lower two or three levels are occupied by either retail, commercial or office space.

High-Rise Condominiums

High-rise condominiums are generally in high-density urban areas and often offer greater amenities and luxury than other condos. The forwardDallas! Vision calls for high-rise condominiums in denser urban areas such as the Downtown, near some Transit Station Corridors and Urban Core Mixed-Use Districts.



Small-lot single-family homes are a small part of the Vision. The Vision relies on the use of townhouses and condominiums to boost homeownership in Dallas.

CREATING OPPORTUNITIES FOR OWNERSHIP

Increasing Ownership

Programs aimed at increasing homeownership in Dallas will be critical. As residents gain wealth, trends show that they move out of the city to buy a home. This is indicated by higher homeownership rates across the region when compared to ownership rates at the city and county level and is true for almost all races and ethnicities.

Regardless of race and ethnicity, Dallas residents have lower ownership rates than the region as a whole. Looking only at the white population, 49 percent are homeowners in the city, 59 percent are homeowners at the county level and 65 percent are homeowners at the regional level. Blacks and Hispanics share similar ownership patterns but have lower ownership rates than whites in the city, county and region.

The City should focus on meeting the needs of its Black and Hispanic residents who, when compared to whites, enjoy far less ownership opportunity. The population of these groups is projected to increase over the next few decades while the white population is expected to decline. In addition, developing more sophisticated mechanisms to enable nontraditional households to enter the market will be an important strategy and would help those wishing to purchase a home with one or more partners. One form this could take is through a Tenancy in Common (TIC) agreement. A TIC enables two or more parties to own property together. Each co-owner can have a separate interest and separate title to the property, but each



has equal rights of use and possession. Informing residents about such mechanisms as this is one strategy that will enable nontraditional households to enter into an equity investment.

Assistance programs for ownership

The City should consider other ways to increase homeownership in Dallas such as supporting or expanding below-market rate financing programs for developers and homebuyers and establishing ownership tax incentives. In general, Dallas could benefit from forming additional partnerships with nonprofit and for-profit organizations that work on the financing, building and managing of new housing, particularly in disadvantaged neighborhoods.

Ownership Benchmarks

As part of the benchmark and monitoring program, the City should monitor housing unit production, and also data available on mortgage application approvals and denials from the Home Mortgage Disclosure Act (HMDA). This will allow ownership barriers to be identified and effective programs to be developed.