Memorandum

DATE  September 2, 2016

TO  Honorable Mayor and Members of the City Council

SUBJECT  Reducing the Epidemic of Poverty and Ending the Opportunity Gap

Attached is a briefing that will be presented to the Dallas City Council on Wednesday, September 7, 2016. The briefing will be presented by the Mayor's Task Force on Poverty members, Councilman Mark Clayton, City Council Liaison, and Regina Montoya, Chair.

Please let me know if you should need additional information.

Theresa O'Donnell
Chief Resilience Officer

C:  A.C. Gonzalez, City Manager
    Christopher D. Bowers, Interim City Attorney
    Craig D. Kinton, City Auditor
    Rosa A. Rios, City Secretary
    Daniel F. Solis, Administrative Judge
    Ryan S. Evans, First Assistant City Manager
    Eric D. Campbell, Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor & Council

“Dallas, the City that Works: Diverse, Vibrant and Progressive”
Reducing the Epidemic of Poverty and Ending the Opportunity Gap

Mayor’s Task Force on Poverty
Briefing to the Dallas City Council
September 7, 2016

Mark Clayton - City Councilman District 9
City Council Liaison,
Mayor’s Task Force on Poverty

Regina Montoya
Chair,
Mayor’s Task Force on Poverty
We Must Recognize the Problem

“The gap between the haves and the have-nots is still too wide. We must close that gap.”

Mayor Mike Rawlings
New Cities Summit 2014, Opening Keynote
Acknowledgments

The Mayor’s Task Force on Poverty would like to thank the following individuals and organizations for their contributions to this report:

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Shana Harrison
Executive Director

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David Woodyard
CEO and President
Vanna Slaughter
Director of Immigration and Legal Services
Jaime Trevino
Attorney and Program Manager
Immigration and Legal Services

**ChildCareGroup**
Tori Mannes, President and Chief Executive Officer

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**The Concilio**
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Acknowledgments

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**Dallas Women’s Foundation**
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**Early Matters and Commit2Dallas**
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**Frazier Revitalization Inc.**
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Jennifer M. Ware  
Chief Executive Officer

**Workforce Solutions Greater Dallas**
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President  
Richard Perez  
Resource Development and Deployment Manager
Purpose of the briefing

• Present the findings and recommendations of the Mayor’s Taskforce on Poverty to the Dallas City Council
  – Review the current and past statistics
  – Understand the geography of poverty
  – Explain the trends and drivers that propel poverty in Dallas

• Recommend solutions that will reduce the epidemic of poverty and end the opportunity gap
The Opportunity Gap

The Dallas-Fort Worth economy is robust and growing:

- The Dallas-Fort Worth (D-FW) region is a magnet for new companies and new residents. The region ranks among the top three U.S. Metro areas for business expansions, relocations, and employment growth. This positive trend is projected to continue through 2023. (Dallas Regional Chamber)
- Job growth has increased over 15% from 2000 to 2014 (Federal Reserve Bank of Dallas)

However:

“Poverty in Dallas has reached Crisis proportions” (Neighborhood Plus briefing Feb 18, 2015)

“In dramatic contrast to the surrounding region’s economic prosperity, the city of Dallas has one of the highest concentrations of poverty in the nation. Many of these residents are unemployed or underemployed, preventing them from benefiting from the region’s economic growth. This opportunity gap is disproportionately affecting African-Americans and Hispanics, who represent a large and growing pool of potential middle-skill workers, just as the region needs to expand its talent pipeline.”

Dallas Leads the Nation In Inequity

- Dallas has the highest neighborhood inequity of any city in the U.S. larger than 250,000
- Dallas joins Philadelphia and Baltimore as cities with the largest disparity.
- According to the Urban Institute’s Rolf Pendall, “Extremely low average wages for poor communities, along with a regional education system that trails other parts of the country, contribute to this problem.”

Source: Urban Institute as reported by Governing Magazine
Dallas Today: A Snap Shot

Country of Birth
- Born in US: 76%
- Foreign Born: 24%

Language Spoken at Home
- English: 57%
- Other than English: 43%

Race / Ethnicity
- Hispanic: 42%
- White: 30%
- African-American: 25%
- Other: 3%

Educational Attainment
- Less than 9th grade: 11.10%
- 9th to 12th grade, no diploma: 18.60%
- High school graduate (includes equivalency): 13.60%
- Some college, no degree: 22.10%
- Associate's degree: 18.00%
- Bachelor's degree: 12.10%
- Graduate or professional degree: 4.40%

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Dallas Poverty Facts

• Poverty rate in the City of Dallas increased 42% over the past 15 years, while the City’s total population only increased by 4.4% during the same time period.

• Almost 1 in 3 Hispanics and African-Americans live below the poverty line

• Almost 153,000 Latinos and more than 94,722 African-Americans live in poverty in Dallas.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Children are the Face of Poverty

Too Many Dallas Children live in Poverty

152,822 families in Dallas are living at or below the poverty level.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Children are the Face of Poverty

Too Many Dallas Children live in Poverty

In calendar year 2014, a family of two adults and two children fell into the following poverty categories based on their annual income:

<table>
<thead>
<tr>
<th>Threshold Category</th>
<th>Annual Income</th>
<th>Poverty Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>150%</td>
<td>$36,012</td>
<td>Near Poverty</td>
</tr>
<tr>
<td>100%</td>
<td>$24,008</td>
<td>Poverty</td>
</tr>
<tr>
<td>50%</td>
<td>$12,004</td>
<td>Extreme Poverty</td>
</tr>
</tbody>
</table>

In 2014, 184,000 Dallas children were living below 150% of the poverty level.

*50,000 children were living in extreme poverty in 2014.*

Source: Kids Count Data Center
The Geography of Poverty

Poverty exists in all Council Districts

<table>
<thead>
<tr>
<th>District</th>
<th>Households in Poverty</th>
<th>Percent in Poverty</th>
<th>Families in Poverty</th>
<th>Single Mothers in Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>District 1</td>
<td>5,963</td>
<td>22.7%</td>
<td>3,801</td>
<td>1,517</td>
</tr>
<tr>
<td>District 2</td>
<td>8,048</td>
<td>22.3%</td>
<td>3,777</td>
<td>1,872</td>
</tr>
<tr>
<td>District 3</td>
<td>6,561</td>
<td>21.5%</td>
<td>4,658</td>
<td>2,721</td>
</tr>
<tr>
<td>District 4</td>
<td>9,989</td>
<td>36.2%</td>
<td>6,281</td>
<td>3,550</td>
</tr>
<tr>
<td>District 5</td>
<td>5,618</td>
<td>26.0%</td>
<td>4,494</td>
<td>1,801</td>
</tr>
<tr>
<td>District 6</td>
<td>6,385</td>
<td>27.0%</td>
<td>4,664</td>
<td>2,196</td>
</tr>
<tr>
<td>District 7</td>
<td>9,531</td>
<td>32.6%</td>
<td>5,998</td>
<td>3,587</td>
</tr>
<tr>
<td>District 8</td>
<td>8,334</td>
<td>29.4%</td>
<td>5,428</td>
<td>3,553</td>
</tr>
<tr>
<td>District 9</td>
<td>5,533</td>
<td>15.4%</td>
<td>3,088</td>
<td>1,559</td>
</tr>
<tr>
<td>District 10</td>
<td>6,570</td>
<td>18.2%</td>
<td>3,847</td>
<td>1,787</td>
</tr>
<tr>
<td>District 11</td>
<td>5,489</td>
<td>13.5%</td>
<td>3,150</td>
<td>1,794</td>
</tr>
<tr>
<td>District 12</td>
<td>5,473</td>
<td>12.1%</td>
<td>2,334</td>
<td>1,286</td>
</tr>
<tr>
<td>District 13</td>
<td>4,683</td>
<td>13.1%</td>
<td>2,576</td>
<td>1,082</td>
</tr>
<tr>
<td>District 14</td>
<td>5,444</td>
<td>10.7%</td>
<td>1,209</td>
<td>600</td>
</tr>
</tbody>
</table>

Data from 2014 American Community Survey obtained through ESRI Community Analyst
Neighborhood Poverty 2000

Neighborhood Poverty 2010

Neighborhood Poverty 2014

Concentrations of Poverty exist in all Council Districts

In some Dallas neighborhoods, the percentage of households in poverty exceed 50% and even 70%.
In 2014, over 27,300 residents were living in poverty despite full-time employment.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Drivers of Poverty

• Barriers to finding living wage employment and the decline in median income
  – Low educational attainment rates
  – Limited English proficiency
  – Low literacy rates
  – Undocumented status

• Housing Affordability
  – Low home ownership rates
  – High percentage of low income residents who rent
  – Quality of units available in the rental market is poor

• Transportation access and costs
Drivers of Poverty

• Family structure
  – Generational poverty
  – High percentage of households with children living in poverty
  – High percentage of Single Female Head of Household
  – High percentage of Teen-age pregnancy

• Physical and environmental conditions found in neighborhoods with high concentrations of poverty
  – Crime rates, violence, and dangerous conditions
  – Lack of adequate infrastructure
  – Food deserts and the lack of retail and commercial services
  – Blighted lots and abandoned structures
Dallas Incomes

Dallas Household Incomes

<table>
<thead>
<tr>
<th>Total Households</th>
<th>Less Than 25,000</th>
<th>25,000 to 50,000</th>
<th>50,000 to 75,000</th>
<th>75,000 to 100,000</th>
<th>Over 100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>467,501</td>
<td>131,835</td>
<td>128,095</td>
<td>78,540</td>
<td>42,076</td>
<td>86,955</td>
</tr>
</tbody>
</table>

Over half of Dallas households make less than $50,000 per year.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Despite the booming regional economy, median income in Dallas has continued to decline for over 30 years.

Median Income is Declining

Source: Neighborhood Plus briefing Feb 18, 2015
Sharp decline began in 2000

Sources: Median Household Income (Adjusted to 2013 Dollars) retrieved from Social Explorer of US Decennial Census 1980 (T53), 1990 (T43), 2000 (T93), and ACS 2008-2012 5 year estimates (T57)
The City of Dallas has the lowest median income among the major Texas cities.  
181,652 households (renters and homeowners) are paying 30% or more of their income on housing costs.

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
### Wealth and Financial Access

#### Estimated household wealth and financial access

<table>
<thead>
<tr>
<th>Geography</th>
<th>Asset Poverty</th>
<th>Liquid Asset Poverty</th>
<th>Unbanked</th>
<th>Underbanked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>36.4%</td>
<td>51.9%</td>
<td>14.0%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Dallas County</td>
<td>31.0%</td>
<td>49.2%</td>
<td>12.2%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Collin County</td>
<td>17.2%</td>
<td>27.6%</td>
<td>4.0%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Texas</td>
<td>23.8%</td>
<td>49.8%</td>
<td>10.4%</td>
<td>27.4%</td>
</tr>
<tr>
<td>US</td>
<td>25.4%</td>
<td>43.5%</td>
<td>7.7%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

#### City of Dallas

- **36.4% Asset Poverty**
  - Percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income, 2011

- **51.9% Liquid Asset Poverty**
  - Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income, 2011

- **14% Unbanked**
  - Percentage of households with neither a checking nor savings account, 2013

- **22.1% Underbanked**
  - Percentage of households that have a checking and/or a savings account and have used alternative financial services in the past 12 months, 2013

Source: Corporation for Enterprise Development
Educational Attainment is Low and Limited
English Proficiency is High

Dallas has the highest percent of individuals without a high school diploma and the lowest percentage of residents who hold a college degree.

<table>
<thead>
<tr>
<th>City</th>
<th>No HS Diploma</th>
<th>College Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>25.7%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Houston</td>
<td>24.2%</td>
<td>29.8%</td>
</tr>
<tr>
<td>Austin</td>
<td>46.0%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

6,701 or 49% of DISD second-graders have limited proficiency in English.

Source: Dallas Independent School District Data Packet for 2015-16 planning
At least a High School Education - 2014
At least some College Education - 2014
Drivers of Poverty

Homeownership Rates are Low

Housing Affordability

- 20% of single-family homes in Dallas are rentals
- 47% of Dallas’ housing stock is multifamily

More than 1 in 10 housing units were vacant in 2013

Source: Neighborhood Revitalization Plan for Dallas, February 2015
The majority of households with children in Dallas are renting.

57% of households with children are renting.
• DART has the longest light rail system in the U.S. - 90 miles with 62 stations
• DART operates a fleet of over 650 buses that service almost 1200 bus stops
• Transit ridership is relatively low - DART ranks 23 out of 29 agencies

Source: Dallas Area Rapid Transit (DART)
Source: Hamidi, Shima and Ewing, Reid, How Affordable is HUD Affordable Housing, 2016
• More than 77% of HUD assisted housing units are unaffordable due to transportation costs
• Less than 20% of jobs are accessible by transit in less than 90 minutes

Source: Hamidi, Shima and Ewing, Reid, How Affordable is HUD Affordable Housing, 2016
Dallas has the Highest Child Poverty Rate of any City with a Population over 1 Million

Source: Kids Count Data
Impacts of Poverty on Children

Scientists are now studying the effects of poverty on children’s brain development.

Research indicates that cognitive development is closely linked to socio-economic status.

These effects impact cognitive performance both intellectually and emotionally. The gap starts in early childhood and continues throughout brain development.

Single Mothers Have High Poverty Rates

48% of Single Mothers in Dallas live in poverty

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates
Single Mothers Have High Poverty Rates

Women, in general, have less opportunity, but particularly women of color

For every $1 a white, Non-Hispanic man earns, a Dallas Latina earns $0.38

Earnings data from Women’s Bureau of the Department of Labor
Teen Birth Rates are High

Zip codes 75203, 75212, 75215, 75216, and 75220 have teen birth rates similar to Burkina Faso, the Gambia and Somalia.

“...in certain zip codes, a teen girl has a higher chance of giving birth before age 19 than ever attending college.”

Source: North Texas Alliance to Reduce Teen Pregnancy
Physical and environmental conditions found in neighborhoods with high concentrations of poverty

- High crime rates and incidents of violence
- Lack of adequate infrastructure
- Food deserts and the lack of retail and commercial services
- Blighted lots and abandoned structures
- Dangerous conditions
The Mayor’s Taskforce On Poverty recommends a number of long-term, medium-term and short-term solutions for reducing the epidemic of poverty and ending the Opportunity Gap in Dallas.

These solutions area organized under the following categories:

– An operationalized and systemic approach to reduce poverty
– Building wealth and financial assets – ideas to increase earning potential and savings
– Decreasing major expenses – housing, transportation, and childcare
– Focus on children
**Short Term:**
- Change focus of the CDBG program to an emphasis on alleviating poverty
  - Presentation to Quality of Life in November
- Formalize Poverty Task Force into a Commission on Economic Opportunity
  - Include Director level staff from DISD, the City & DART
  - Meet quarterly at City Hall
  - Focus on drivers of poverty and solutions identified in this report
- Redefine Neighborhoods Plus
  - One staff person dedicated to research and data
  - One staff person dedicated to strategy and coordination of non-profits
  - One grant writer
- Shift narrative of poverty to recognize the plight of the working poor
Medium:
• Work with DART to find “Last Mile” solutions to employment centers, such as the Inland Port
• Work with DART to shift routes to reduce travel time to work to under one hour
• Consolidate CDBG
  – Reduce administrative costs (i.e. childcare)
  – Look for smaller organizations that can achieve bigger scale
• Shift Neighborhood Plus towards a goal of 25,000 new, single family homes
  – Accelerate Land Bank
  – Develop plan for infrastructure TIF’s, REIT’s and Green Bonds
• Develop zoning incentives that encourage affordable housing
An Operational and Systematic Approach

**Long:**
- Create or focus one non-profit as a clearinghouse that vets the results and impacts of non-profits
- Scale Neighborhoods Plus to coordinate and provide wrap-around services and integration
- Create Office for Immigrants and Community Affairs
- Bring to market infrastructure or Social Purpose REIT’s and Green Bonds
Building Wealth and Assets

**Short:**
- Encourage private sector employers to offer ESL classes/programs at job centers
- Create public awareness campaign about ESL and Adult Literacy
  - Make it personal, verbal, and intimate
- Sign on to the White House Task Force of New Americans
Medium:

- Create trust in the community through developing safe zones and trust in local government
  - Encourage immigrants to apply for citizenship
- Help with more access to financial literacy, access to benefits and savings
  - At point of services
  - At safe zones and community centers
- Target areas such as Vickery Meadows for adult literacy and ESL programs, and expand into other areas of the city
Building Wealth and Assets

**Long:**

- Focus intensely on 3 or 4 neighborhoods through land bank acquisition and infrastructure subsidies to develop stable, affordable housing
- Focus land bank on clustering
- Scale safe zones, community centers, libraries and non-profit distribution points to be one-stop shop for all benefits (i.e. access to food, scorecard for available social services)
Decreasing Major Expenses

**Short:**
- Approve Issuance of Green Bond - On the Road Lending
- Pass Chapter 27 Minimum Housing Standards
- Develop awareness campaign to get more people to VITA sites
- Partner with provider for free WIFI to at least one poor area
Decreasing Major Expenses

**Medium:**
- Develop private sector alternatives to Pay Day Lending like BCL
- Work with DART for the “Last Mile” Solutions
  - Inland Port
  - Medical District
  - Top 10 employment centers
- Increase funding and shift CDBG resources to down payment assistance, home repair/remediation
- Offer tax abatement for repair and upgrades
Decreasing Major Expenses

**Long:**

- Establish a goal with DART to provide home-to-work public transit in 60 minutes or less
Focus on Children

**Short:**

- Work with DISD to expand Pre-K to 5:00 PM
- Create public awareness campaign on Teen Pregnancy
- Add the funding of 0-3 Early Childhood Pre-K as a City legislative priority
Focus on Children

**Medium:**

- Advocate and support DISD in its efforts for Choice and Career readiness schools
- Shift “SHAC” toward evidence based sex education
- Organize child care and Pre-K around transportation
Long:

• Focus DISD and Charter schools on cooperation based on capability and not competitiveness
• Work with business community and Chambers on quality summers jobs
• Organize 0-3 daycare for affordable, high quality childcare in neighborhoods of affected poverty
  – Coordinate with DISD so economics work
  – Make sure public understands the difference between pretty and effective
A Call To Action

Being from Oak Cliff I thought that I would understand the struggles that my students were going through on the daily basis, but as a teacher I learned to check my own privilege and step back and learn from my students. I never had to deal with some of the struggles that they had to deal with on the daily basis, and from that I wanted to become an advocate for my students I wanted to fight for them to have the opportunities that students north of the Trinity had. My time at Bushman elementary school showed me that where there is ruin there is hope for treasure. "

Taylor Toynes
Teacher, W.W. Bushman Elementary
Questions and Discussion
Appendix

