

# Memorandum



DATE March 12, 2017

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT **Executive Summary of City of Dallas Housing Policy Briefing Memo**

Over the past two years, the Housing Committee and full City Council have worked on developing housing policies to create and maintain affordable housing, promote greater fair housing choice, and overcome patterns of segregation and concentrations of poverty throughout our community.

Attached you will find a summary of those accomplishments to-date and ongoing work that advances this effort. We will be posting this summary to the Housing departments website and updating it regularly as our work progresses.

Please let me know if you have any questions.



Theresa O'Donnell  
Interim Chief of Economic Development & Neighborhood Services

## Attachment

c: The Honorable Mayor and Members of the City Council  
T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Kimberly Bizar Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Mark McDaniel, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
M. Elizabeth Reich, Chief Financial Officer  
Alan E. Sims, Interim Chief of Community Services  
Directors and Assistant Directors

# CITY OF DALLAS HOUSING POLICIES

## BACKGROUND

The City of Dallas believes that every resident has the right to safe, decent, affordable, and fair housing, regardless of their race, color, national origin, religion, sex, sexual orientation, disability, familial status, or source of income. The City also recognizes that minority and disabled citizens make up a disproportionate number of the City's residents living in poverty, and that racially and ethnically concentrated areas of poverty are harmful to the City of Dallas as a whole.

In support of its citizens, and in compliance with HUD's recently issued *Affirmatively Furthering Fair Housing Final Rule*, the City supports the following policies. This document is not intended as a comprehensive housing strategy. Rather, this document will serve as a framework for the creation of a comprehensive housing strategy that will include the foundational elements enumerated below along with many additional components also described in this document. Many of the foundational elements and components require further consideration by the Housing Committee and City Council.

A comprehensive housing strategy will be finalized and adopted after consideration and action on all individual elements and after all components have been incorporated within the comprehensive framework. The goal of a comprehensive strategy will be to: 1. create and maintain available and affordable housing throughout Dallas, 2. promote greater fair housing choices, and 3. overcome patterns of segregation and concentrations of poverty through incentives and requirements.

Seeking to both incentivize desired outcomes like prioritizing ownership opportunities and creating/amending requirements to maintain affordable housing, the Council has acted and continues to work on the following policies:

### **1. Support all ownership housing opportunities throughout Dallas**

- Committee Briefing in November and December 2015
- Committee Forwarded to City Council in December 2015
- City Council Adopted in January 13, 2016 (Resolution # 16-0079)

As Adopted by Council:

The City recognizes that ownership builds wealth, stabilizes neighborhoods, and provides opportunities for greater housing choices. Therefore, the City will invest in creating ownership housing in all areas of Dallas.

### **2. Source of Income Ordinance (Chapter 20A)**

- Committee Briefing in January and May 2016
- Committee Forwarded to City Council in June 2016
- City Council Deferred Item June 2016
- City Council Adopted Amendment October 26, 2016

(Resolution #16-1760; Ordinance #30246)

As Adopted by Council:

Amendment to Chapter 20A prohibits discrimination based on any lawful, regular, verifiable income, except as prohibited by state law. As permitted by state law, the amended ordinance requires that residential developments receiving city subsidy or council-approved density bonuses refrain from source of income discrimination, including Housing Choice Vouchers and other housing subsidies. The amendment requires multifamily projects receiving city subsidies to lease 10% of units to holders of housing vouchers. Finally, the amended ordinance adds a new “safe harbor” defense, which states that it is a defense to source of income discrimination claims if at least 10% of multifamily development’s residential units are leased to housing voucher holders.

**3. Housing placement policy for multifamily rental units using Housing Tax Credits (HTC’s)**

- Committee Briefing in June 2016
- Committee Approved in June 2016
- City Council Briefing October 2016
- City Council Adopted December 14, 2016 (Resolution #16-1989)

As Adopted by Council:

This housing placement policy guides the development community to carefully select the site for Housing Tax Credit (HTC) projects that desire City support:

- o Multifamily rental units seeking to be developed as new construction using housing tax credits shall not receive City support, including a resolution of “no objection” unless they are in census tracts meeting all of the criteria for “High Opportunity Areas”
  - o High Opportunity Areas defined as:
    - Dallas census tracts with less than 20% poverty rate; and
    - in the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education Agency
- o Multifamily rental units seeking to be developed as a rehabilitation project using housing tax credits shall be considered city wide, subject to the City’s obligations to affirmatively further fair housing and uphold the Fair Housing Act, and shall not receive City support, including a resolution of “no objection” without proposed increased capital improvements, investment, and maintenance.
- o Allow support of all HTC projects if located in census tracts covered by an approved and funded Concerted Revitalization Plan (CRP)
- o Each project considered shall be evaluated by the Office of Fair Housing to ensure the project affirmatively furthers fair housing and otherwise complies with the City’s obligation under the Fair Housing Act.

**4. Home Improvement Rebate Program**

- Committee Briefing in August 2016
- City Council Adopted in October 11, 2016 (Resolution #16-1654)

As adopted by the City Council:

- Single family homes and duplexes
- Homes built on or before 1985
- Current taxes and insurance
- Dallas County Appraisal District (DCAD) assessed total value of the property does not exceed \$200,000

**5. Chapter 27 Minimum Housing Standard Ordinance to protect the health, safety, morals, and welfare of Dallas residents by establishing minimum standards applicable to residential and nonresidential structures**

- Committee Briefing in April and September 2015; January, March 2016, and April 2016
- Committee Forwarded to City Council
- Public Hearing held on May 17, 2016
- City Council briefed on May 18, 2016 and August 17, 2016
- City Council straw votes on August 17, 2016
- City Council Adopted September 28, 2016 (Resolution #16-1617; Ordinance #30236)

As adopted by the City Council:

Amendments focused on minimum property standards and the rental registration and inspection program managed by the Department of Code Compliance.

**6. Tax Increment Financing (TIF) District Policy**

- Committee Briefing in February and August 2016
- Committee memo distributed August 19, 2016
- Committee to reconsider after staff looks at FMRs for vouchers

Staff Recommendation:

Require Tax Increment Financing (TIF) District housing or mixed use projects in High Opportunity Areas that receive assistance to provide 20% of the units to households at 80% of the Area Median Family Income (AMFI) with half of the units to households at 50% AMFI and below

Alternative Staff Recommendation:

Require Tax Increment Financing (TIF) District housing or mixed use projects that receive assistance to provide:

- 10% of the units to be reserved for households at//or below 80% of Area Median Family Income (AMFI) and 10% at 60% AMFI; or,
- 10% at 50% of AMFI; or,
- 5% at 30% of AMFI

**7. Voluntary Inclusionary Program**

- Committee Briefings in May and August 2016
- Committee directed staff to move forward with community engagement and bring back changes
- Committee briefing scheduled for May 2017

Staff recommendation:

- The voluntary inclusionary program provides that all multifamily developments requesting subsidy or other City of Dallas consideration agree to a minimum of 10% of all units offered for households at 0% to 50% of the Area Median Family Income (AMFI), and
- A voluntary inclusionary zoning policy be adopted after reviewing the recommendations of the Department of Sustainable Development.

**8. Accessory Dwelling Units**

- Committee Briefings October 19, 2015 and February 16, 2016
- Committee directed staff to move forward with adding to ZOC consideration

Options:

- Allow Board of Adjustment (BDA) special exception to authorize an additional dwelling unit as a rental accommodation.
- Create regulations to allow by an overlay district
- Allow by right in all single family residential districts

**9. Housing Mobility Program for voucher holders to be developed with the Dallas Housing Authority and other regional housing partners to affirmatively further fair housing choices throughout the Region, includes Landlord Sublease/Guarantor Program**

- Committee Briefing on August 15 & 29, 2016

Staff Recommendation:

In order to promote housing choices, the City of Dallas will encourage regional mobility for housing choice voucher holders by entering into an agreement with the Dallas Housing Authority to support this service along with regional housing mobility and Master Leasing/Guarantor Programs. The City of Dallas will engage other jurisdictions, including North Central Texas Council of Governments, in an effort to work regionally to affirmatively further fair housing, including housing mobility.

**10. Each project considered by the Housing or Economic Development Departments shall be evaluated by the Office of Fair Housing to ensure the project affirmatively furthers fair housing and otherwise complies with the City's obligation under the Fair Housing Act.**

- Committee Briefing on August 3, 2015

Staff Recommendation:

Require the above noted policy to be implemented upon adoption of the complete Housing Policy document and that procedures be developed to ensure implementation with all relevant departments.