

# Memorandum



CITY OF DALLAS

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.

A handwritten signature in black ink that reads "Theresa O'Donnell".

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

# 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

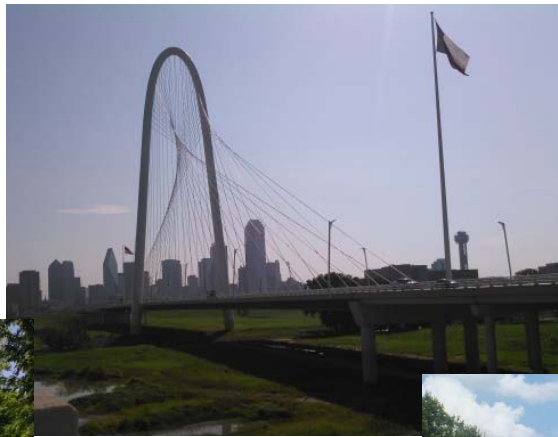
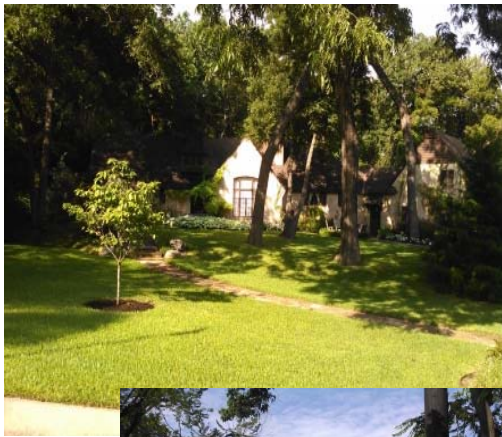




# We Must Recognize the Problem

“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  
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**ChildCareGroup**

Tori Mannes, President and Chief Executive Officer

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**The Concilio**

Florencia Velasco Fortner  
Chief Executive Officer



# Acknowledgments

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Chief Executive Officer

Cyndy Lutz  
Vice President of Neighborhood Investment

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Director of Public Policy

David Drury  
Director of Research

Jessica MacKinnon  
Research and Geospatial Analyst

## **Dallas Independent School District (DISD)**

Miguel Solis  
Trustee, District 8

## **Dallas Women's Foundation**

Dena L. Jackson, Ph.D.  
Vice President, Grants and Research

## **Early Matters and Commit2Dallas**

Jaime Hanks Meyers  
Director of Early Education

## **Educational First Steps**

John R. Breitfeller  
Executive Director

## **Federal Reserve Bank of Dallas**

Roy C. Lopez  
Community Development

Pia M. Orrenius, Ph.D.  
Vice President and Senior Economist

## **Frazier Revitalization Inc.**

Dorothy Hopkins  
President and CEO

Hank Lawson  
Community Engagement Advisor



# Acknowledgments

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President/CEO

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VP of Strategic Partnerships

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Executive Director  
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Project Director

## **On the Road Lending**

Michelle Corson  
Founder/CEO

## **United Way of Metropolitan Dallas**

Susan Hoff  
Chief Strategy Impact and Operations Officer

## **University of Texas-Dallas**

Dr. Timothy M. Bray  
Director of the Institute for Urban Policy Research

## **Michael R. Veale**

### **VMLC**

Sarah Papert  
Executive Director

### **WiNGS**

Jennifer M. Ware  
Chief Executive Officer

## **Workforce Solutions Greater Dallas**

Laurie Bouillion Larrea  
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.”

(JP Morgan Chase & Co., New Skills at Work Report, May 2015)





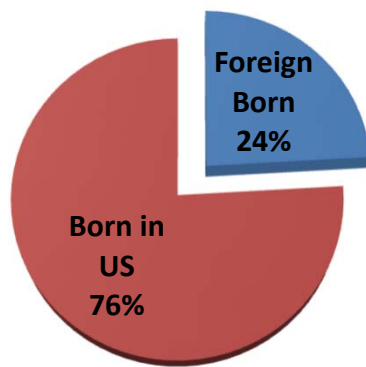
# Dallas Leads the Nation In Inequity

- 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."

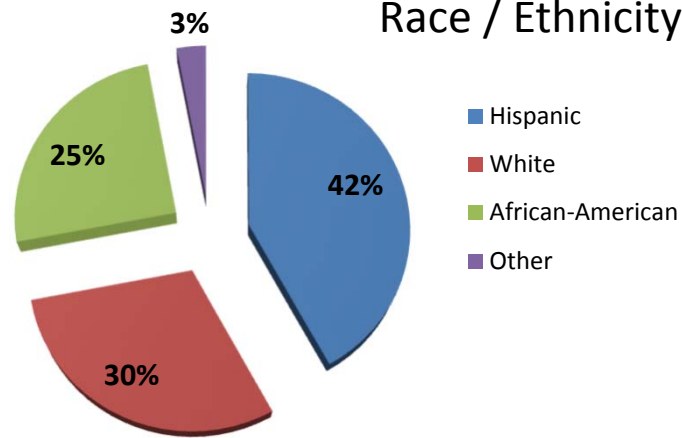


# Dallas Today: A Snap Shot

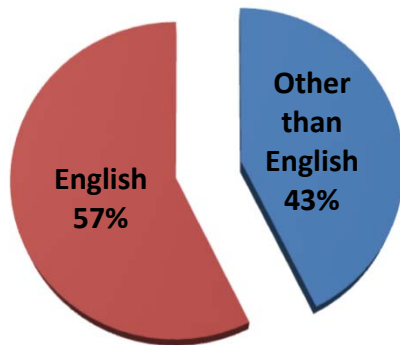
Country of Birth



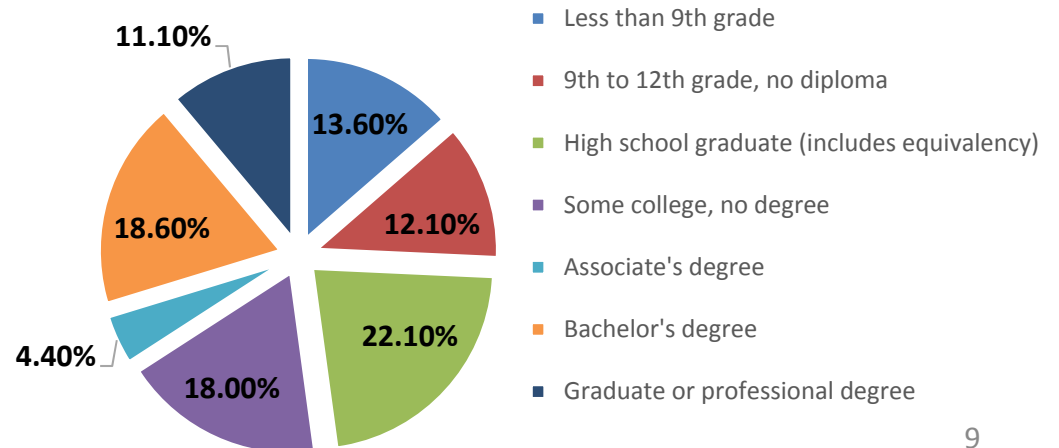
Race / Ethnicity



Language Spoken at Home



Educational Attainment



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



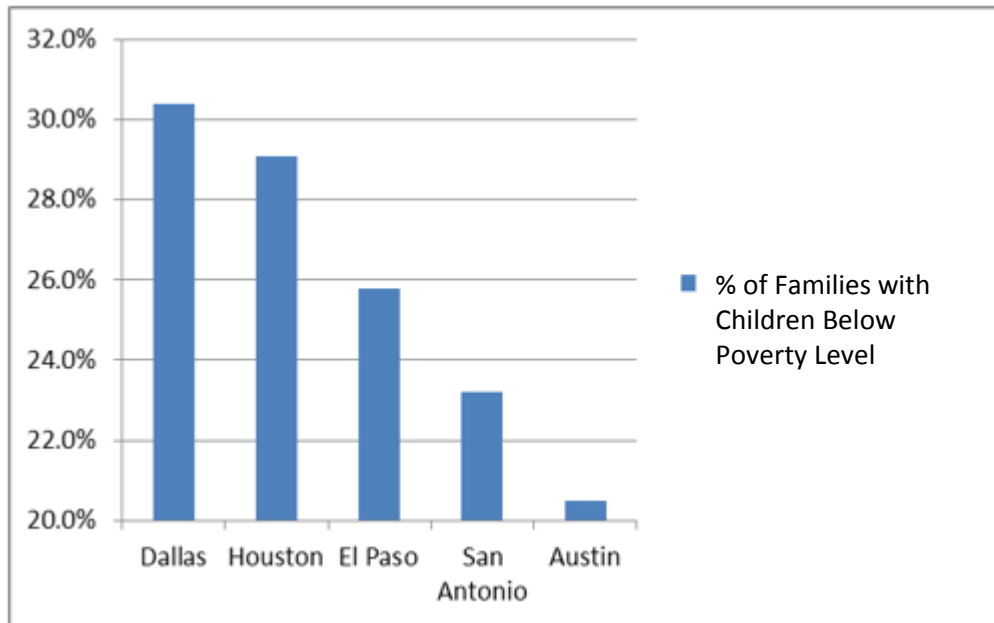
# Dallas Poverty Facts

- 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.



# 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.**

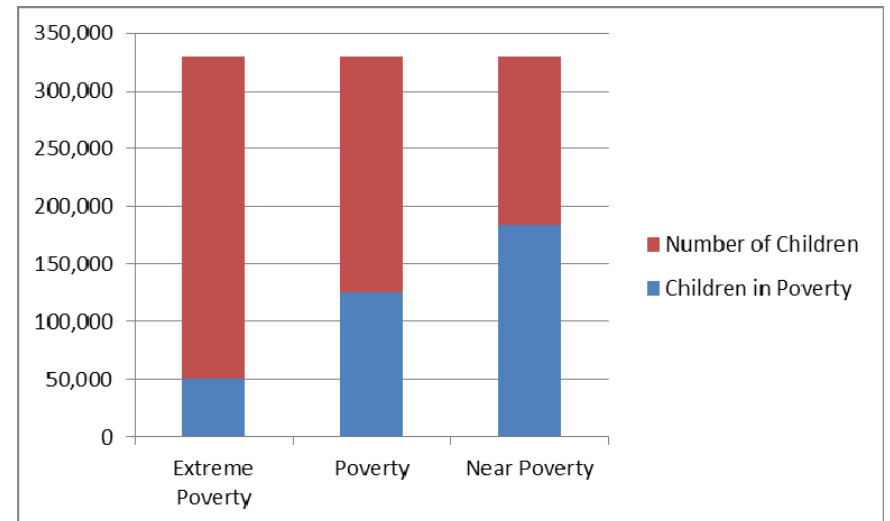


# Children are the Face of Poverty

## 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:

Threshold Category	Annual Income	Poverty Label
150%	\$36,012	Near Poverty
100%	\$24,008	Poverty
50%	\$12,004	Extreme Poverty



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

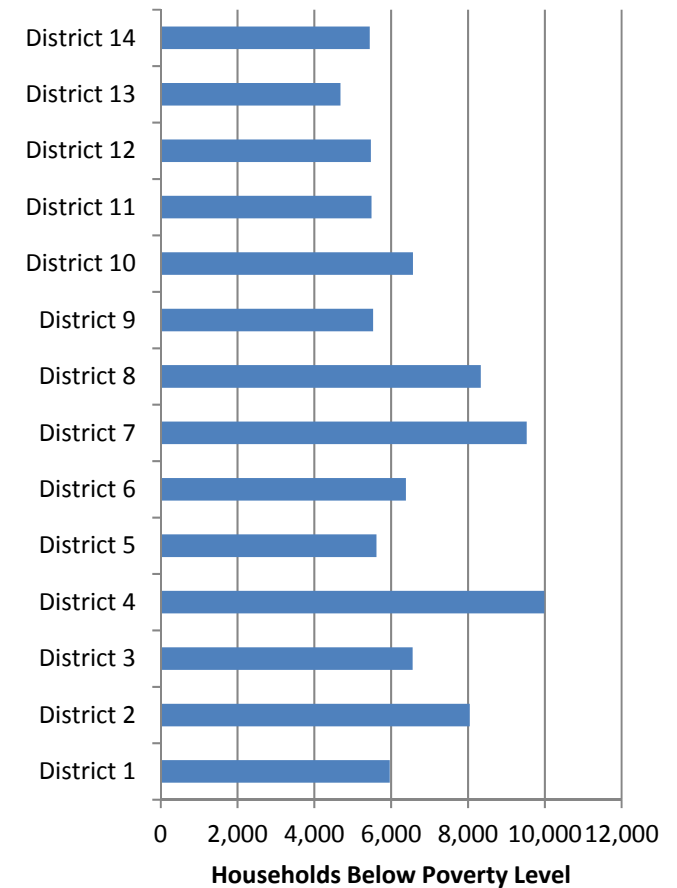
**50,000 children were living in extreme poverty in 2014.**



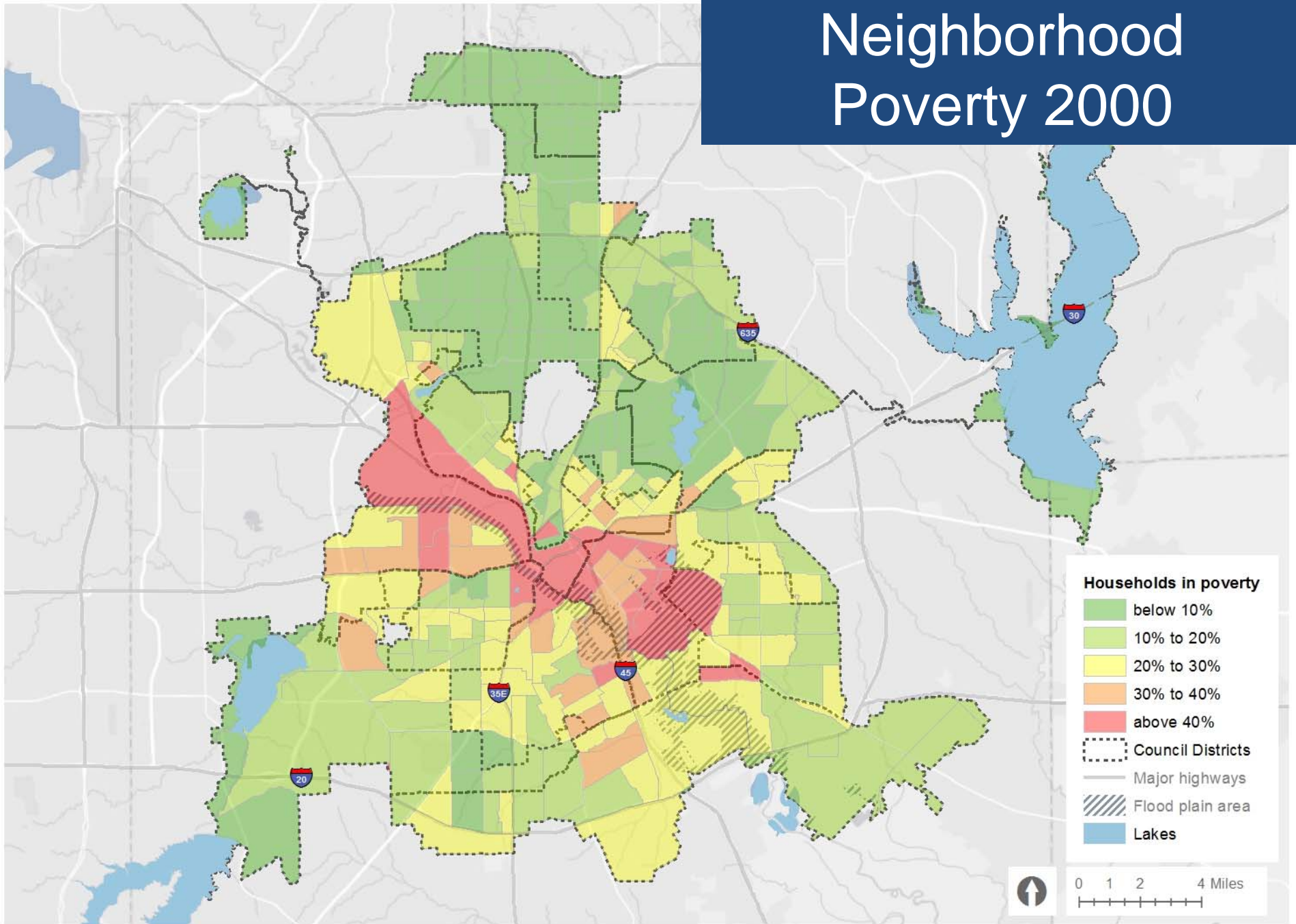
# The Geography of Poverty

## Poverty exists in all Council Districts

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

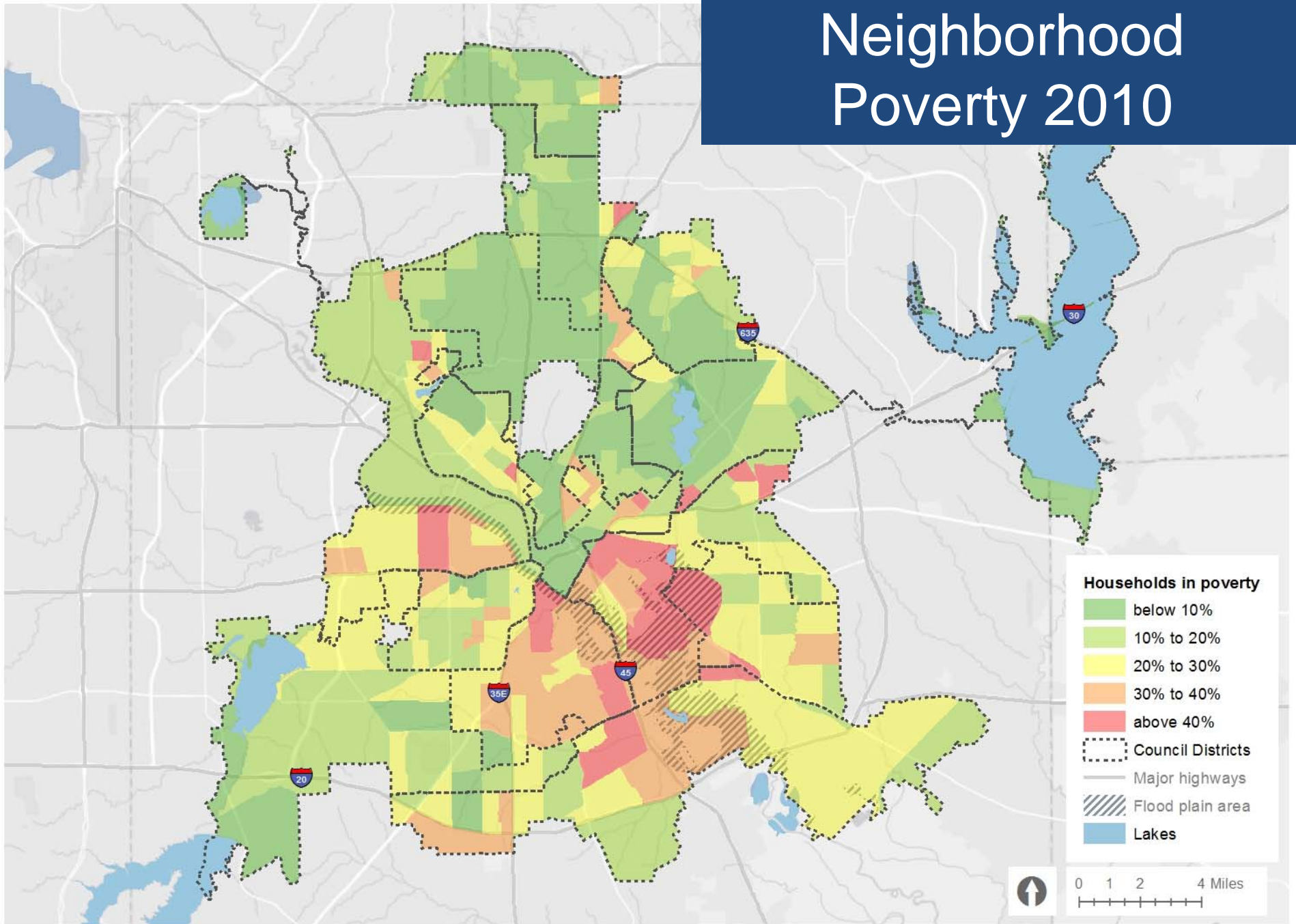


# Neighborhood Poverty 2000



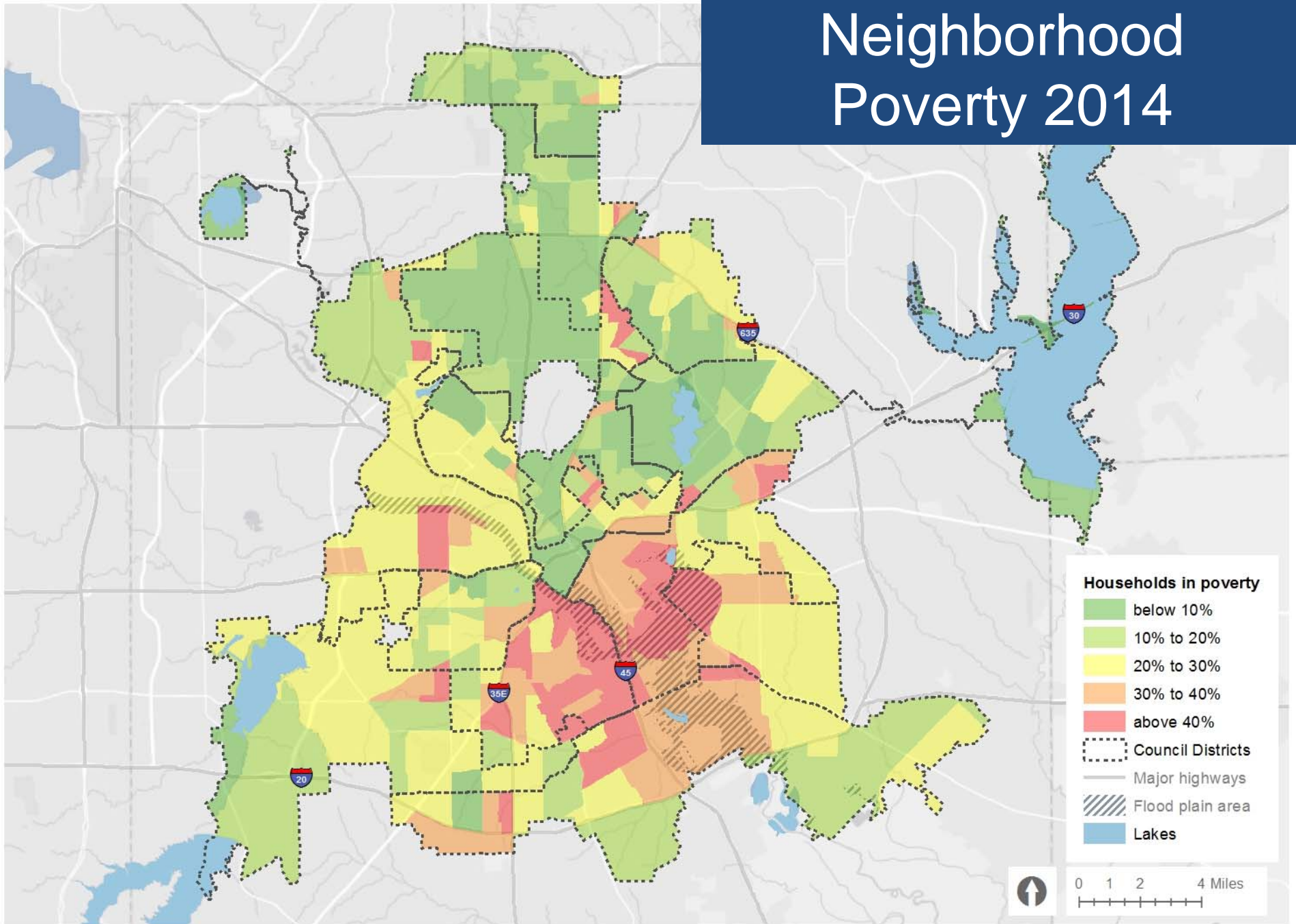
Source: U.S. Census Bureau, Census 1990, 2000, 2010; American Community Survey 2014 5-Year Estimates. Map produced by City of Dallas Department of Planning and Urban Design

# Neighborhood Poverty 2010



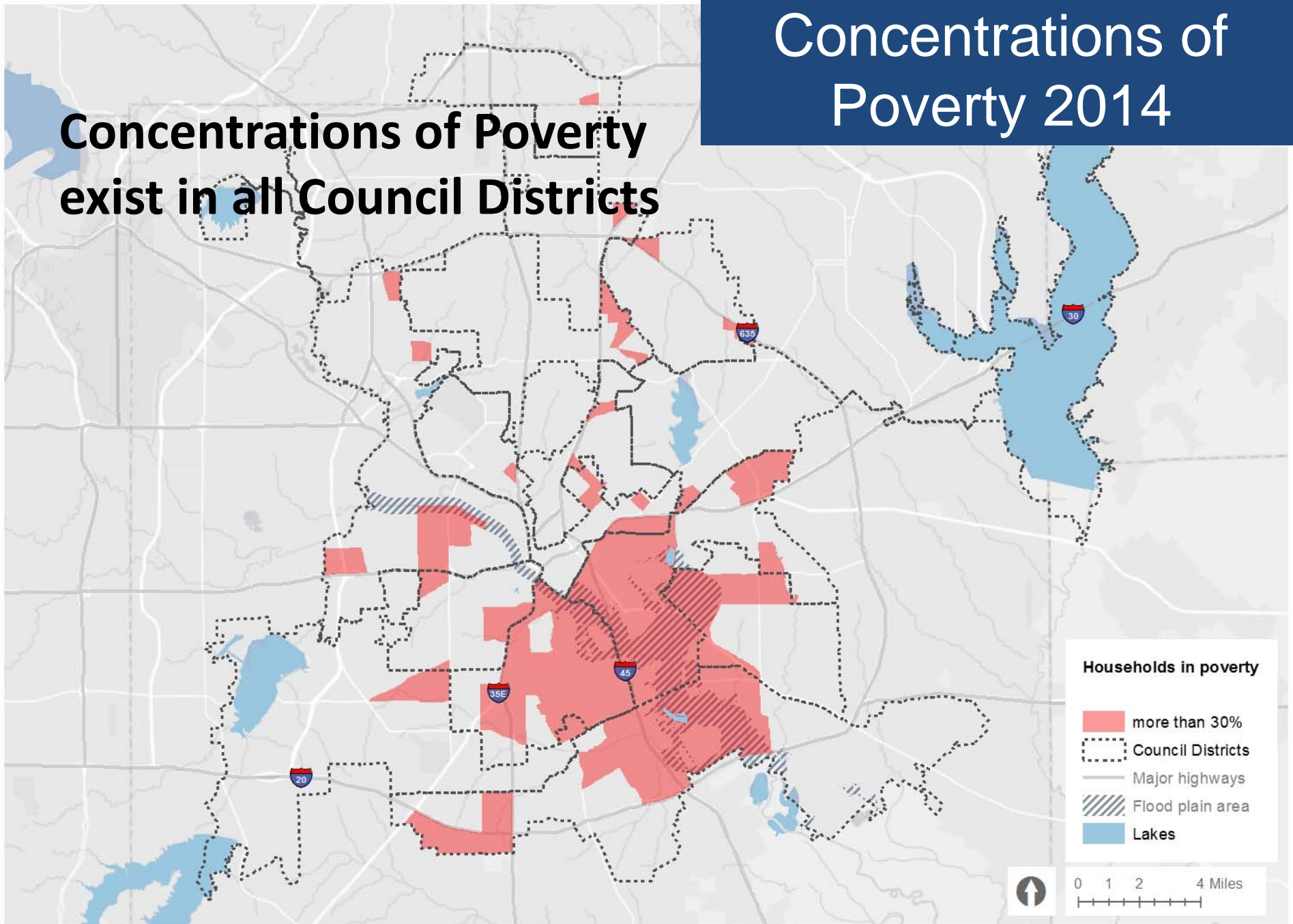


# Neighborhood Poverty 2014



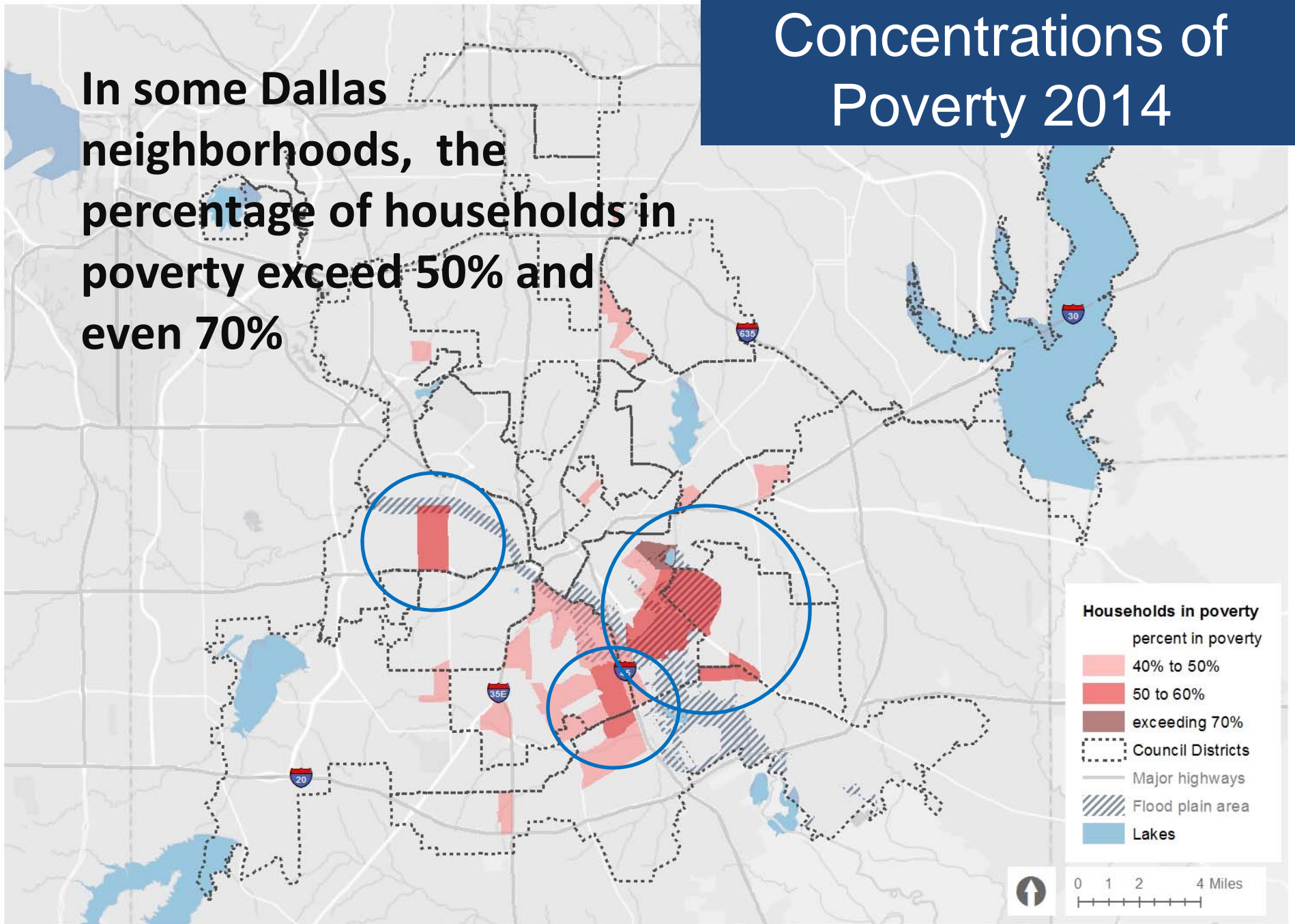
# Concentrations of Poverty 2014

**Concentrations of Poverty exist in all Council Districts**



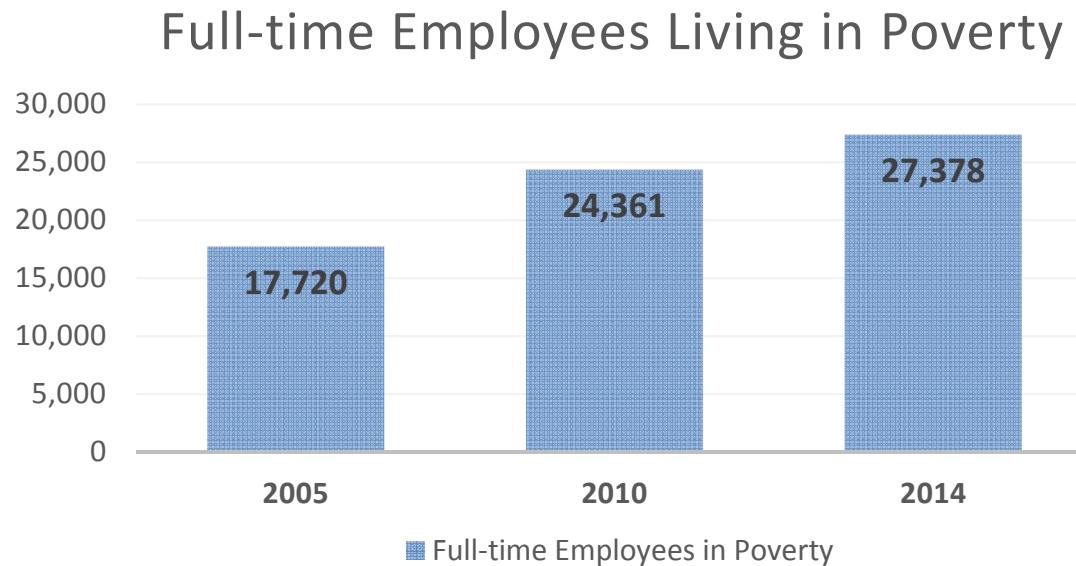
# Concentrations of Poverty 2014

In some Dallas neighborhoods, the percentage of households in poverty exceed 50% and even 70%





## Percentage of employees in poverty



**In 2014, over 27,300 residents were living in poverty despite full-time employment.**



# 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

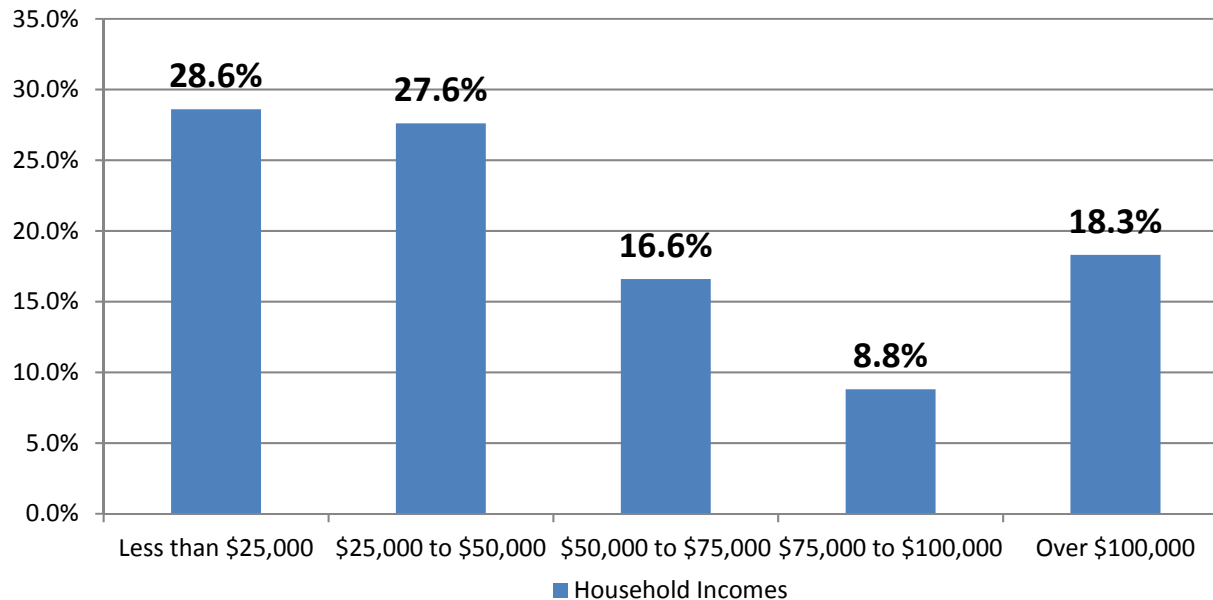
- Family structure
  - Generational poverty
  - High percentage of households with children living in poverty
  - High percentage of Single Female Head of Household
  - High percentage of Teen-age pregnancy
- Physical and environmental conditions found in neighborhoods with high concentrations of poverty
  - 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

Total Households	Less Than 25,000	25,000 to 50,000	50,000 to 75,000	75,000 to 100,000	Over 100,000
467,501	131,835	128,095	78,540	42,076	86,955

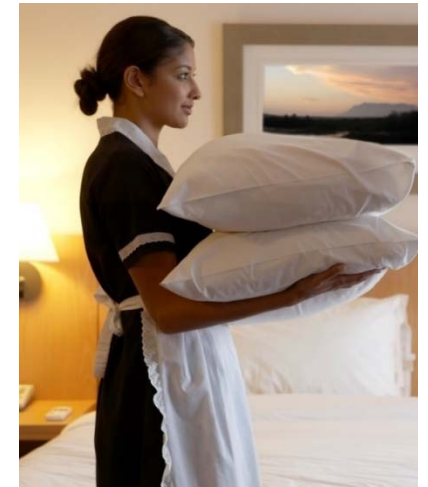
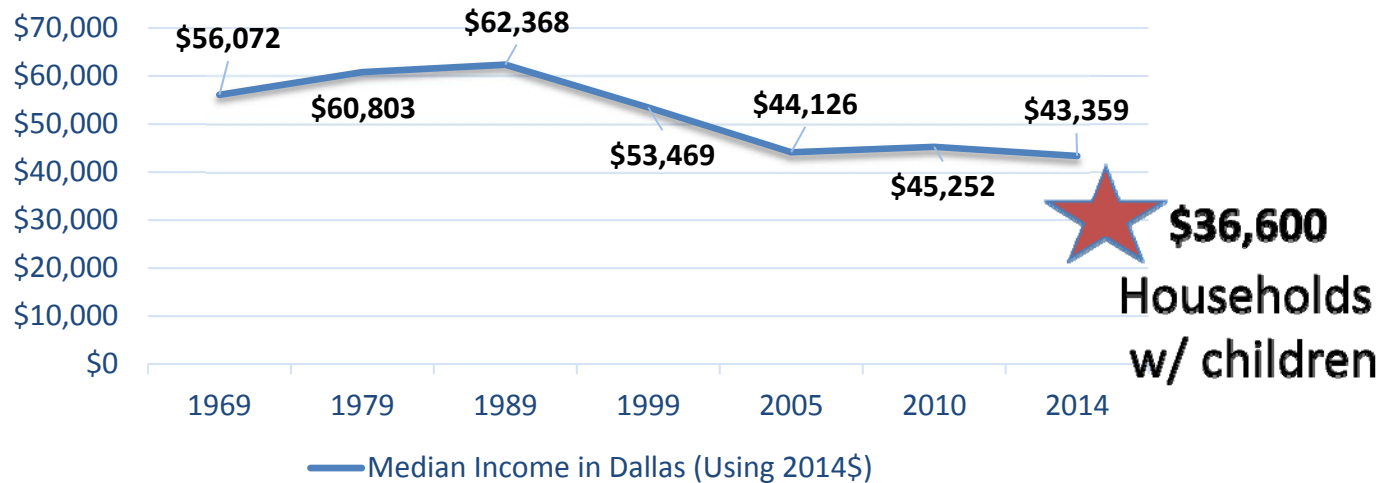


**Over half of Dallas households make less than \$50,000 per year.**



## Median Income is Declining

### Median Income in Dallas (Using 2014 \$)



Despite the booming regional economy, median income in Dallas has continued to decline for over 30 years.

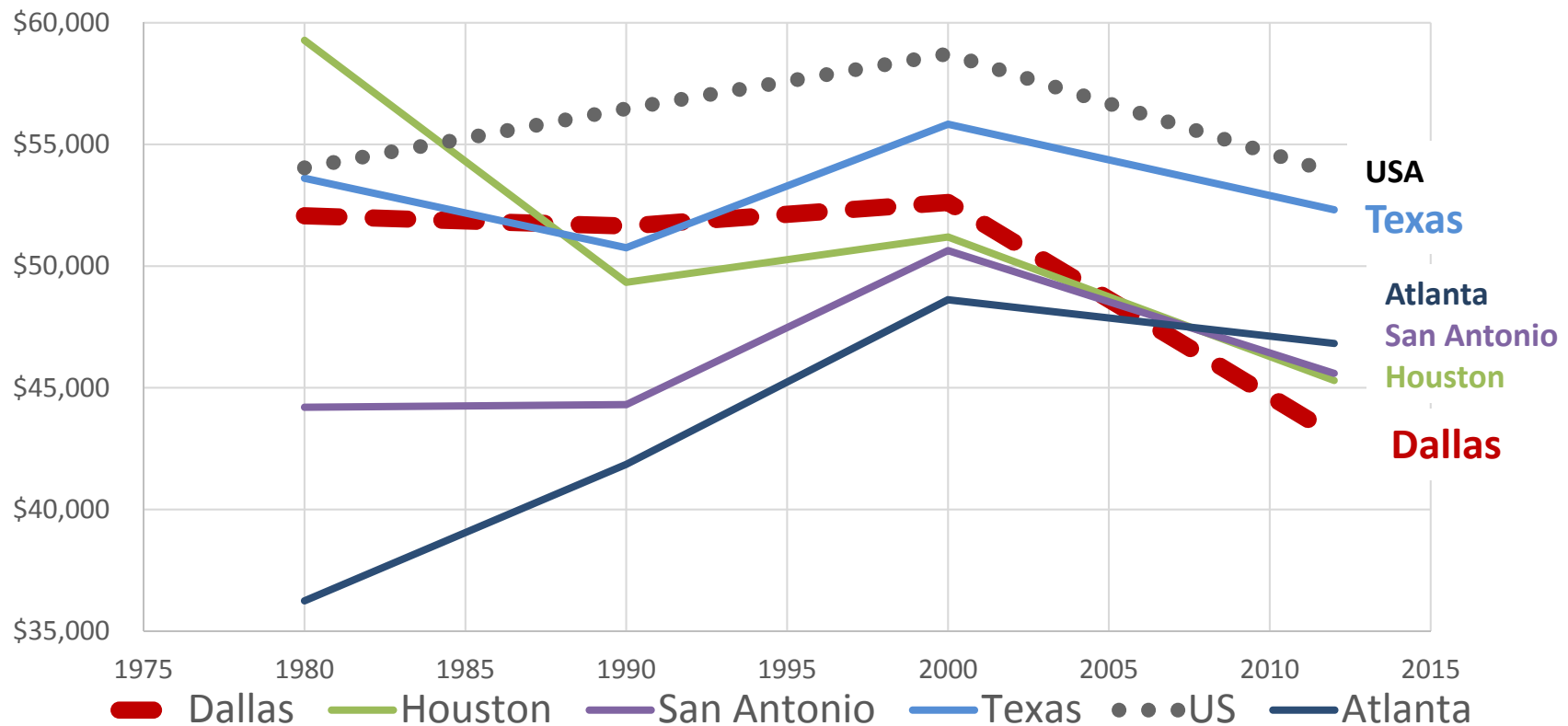


# Drivers of Poverty

# Decline of Median Income



## 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)

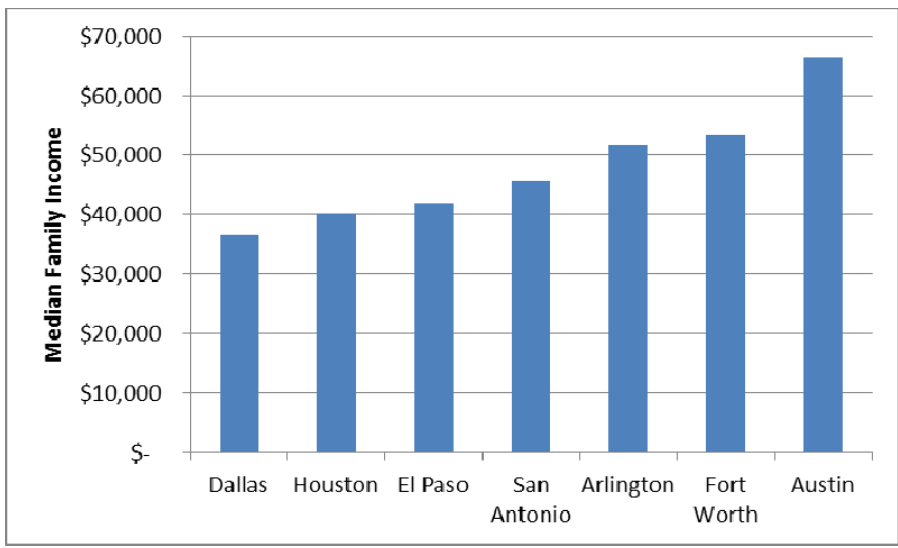
# Drivers of Poverty

# Decline of Median Income



# Median Income

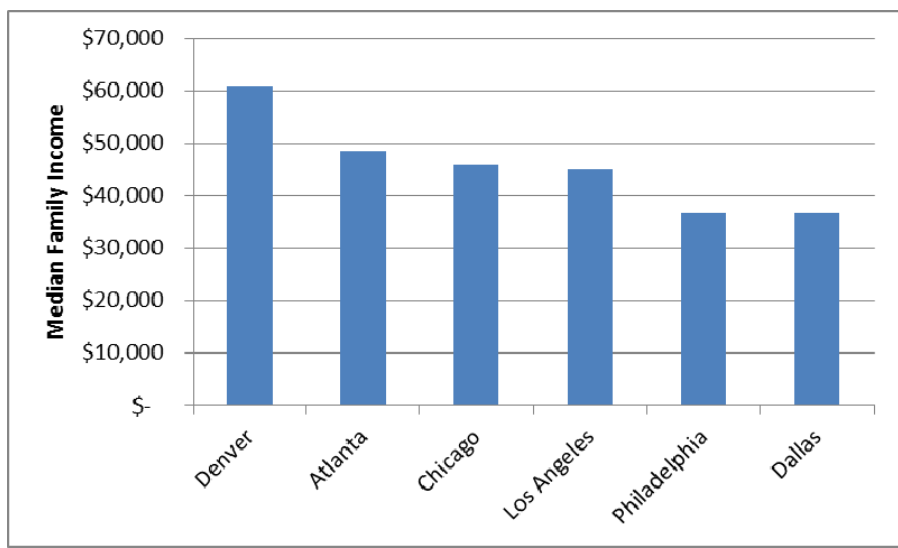
## Texas Cities



- 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.



## US Cities





## Wealth and Financial Access

Estimated household wealth and financial access

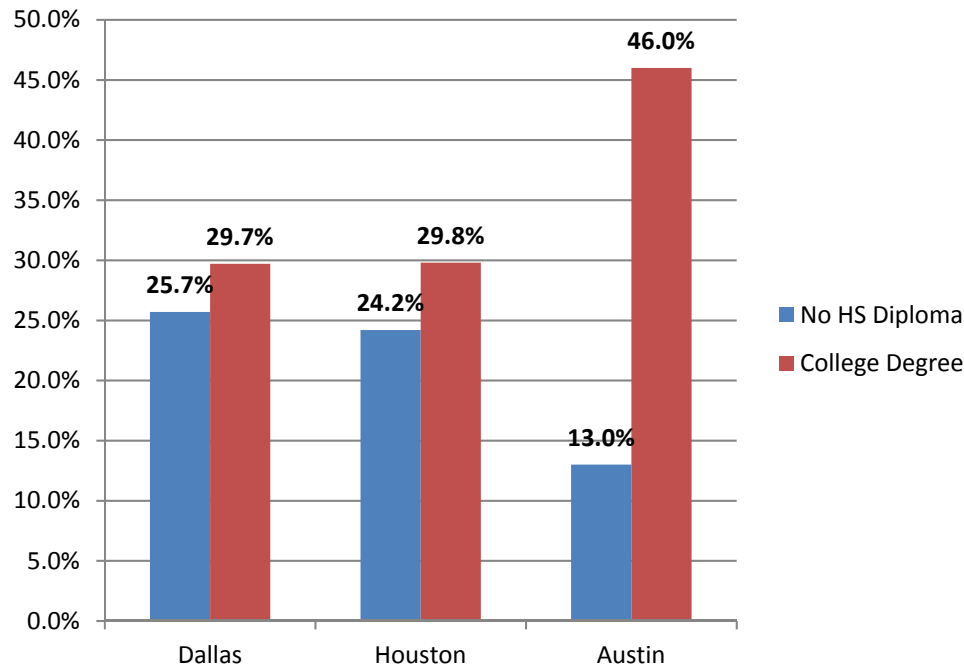
Geography	Asset Poverty	Liquid Asset Poverty	Unbanked	Underbanked
Dallas	36.4%	51.9%	14.0%	22.1%
Dallas County	31.0%	49.2%	12.2%	21.7%
Collin County	17.2%	27.6%	4.0%	16.9%
Texas	23.8%	49.8%	10.4%	27.4%
US	25.4%	43.5%	7.7%	20.0%

### 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



## Educational Attainment is Low and Limited English Proficiency is High

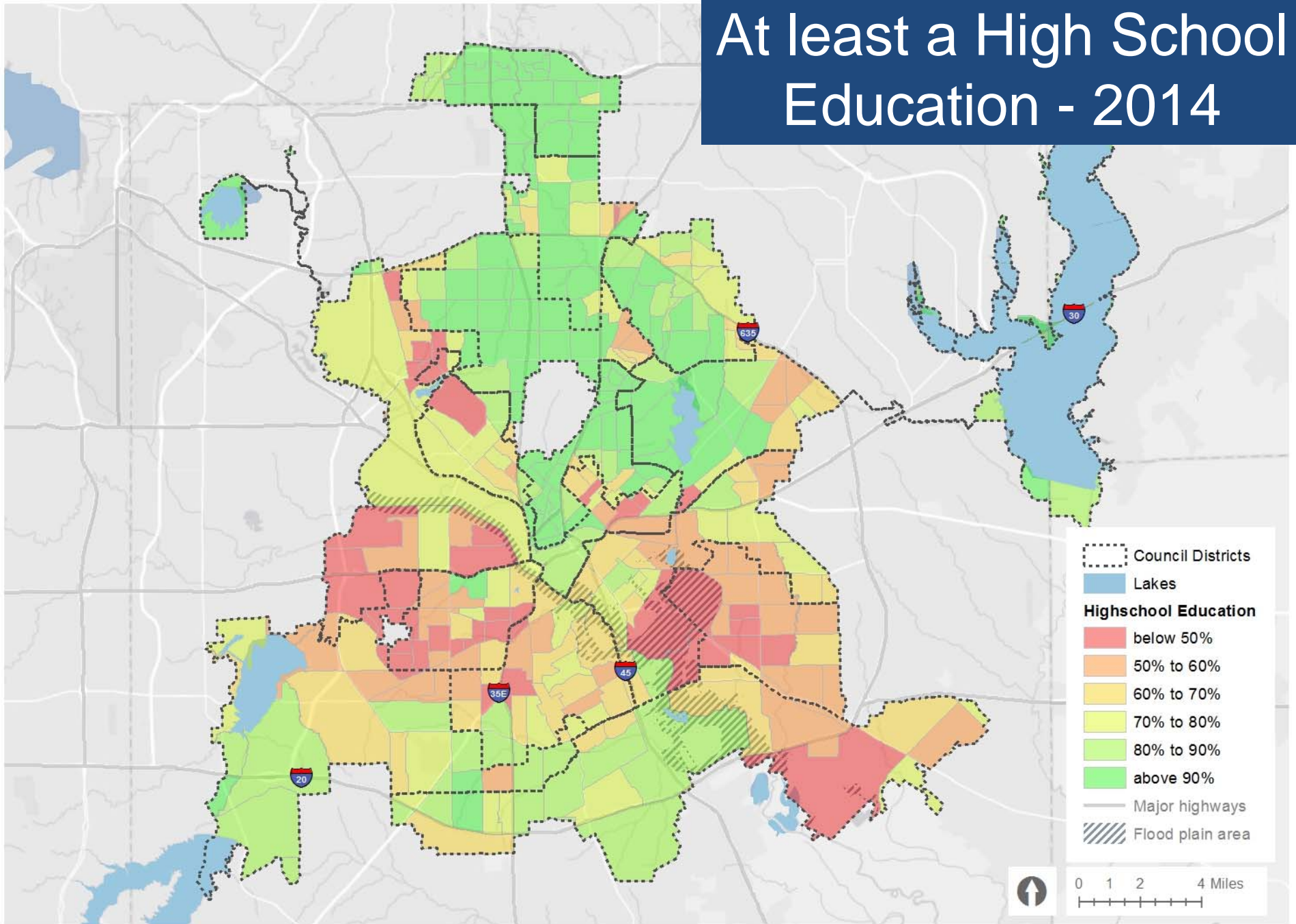


6,701 or 49% of DISD second-graders have limited proficiency in English



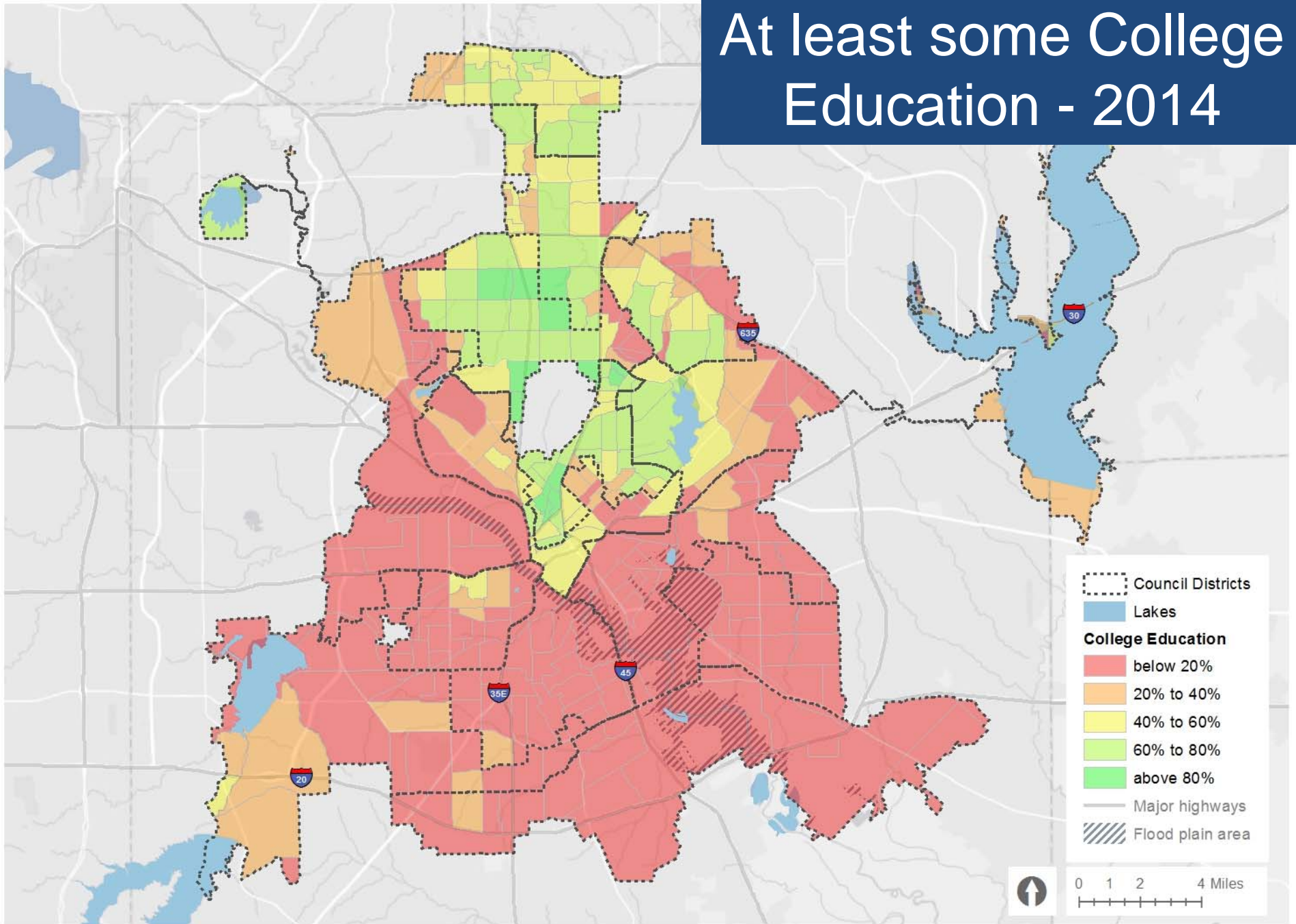
Dallas has the *highest* percent of individuals without a high school diploma and the *lowest* percentage of residents who hold a college degree

# At least a High School Education - 2014



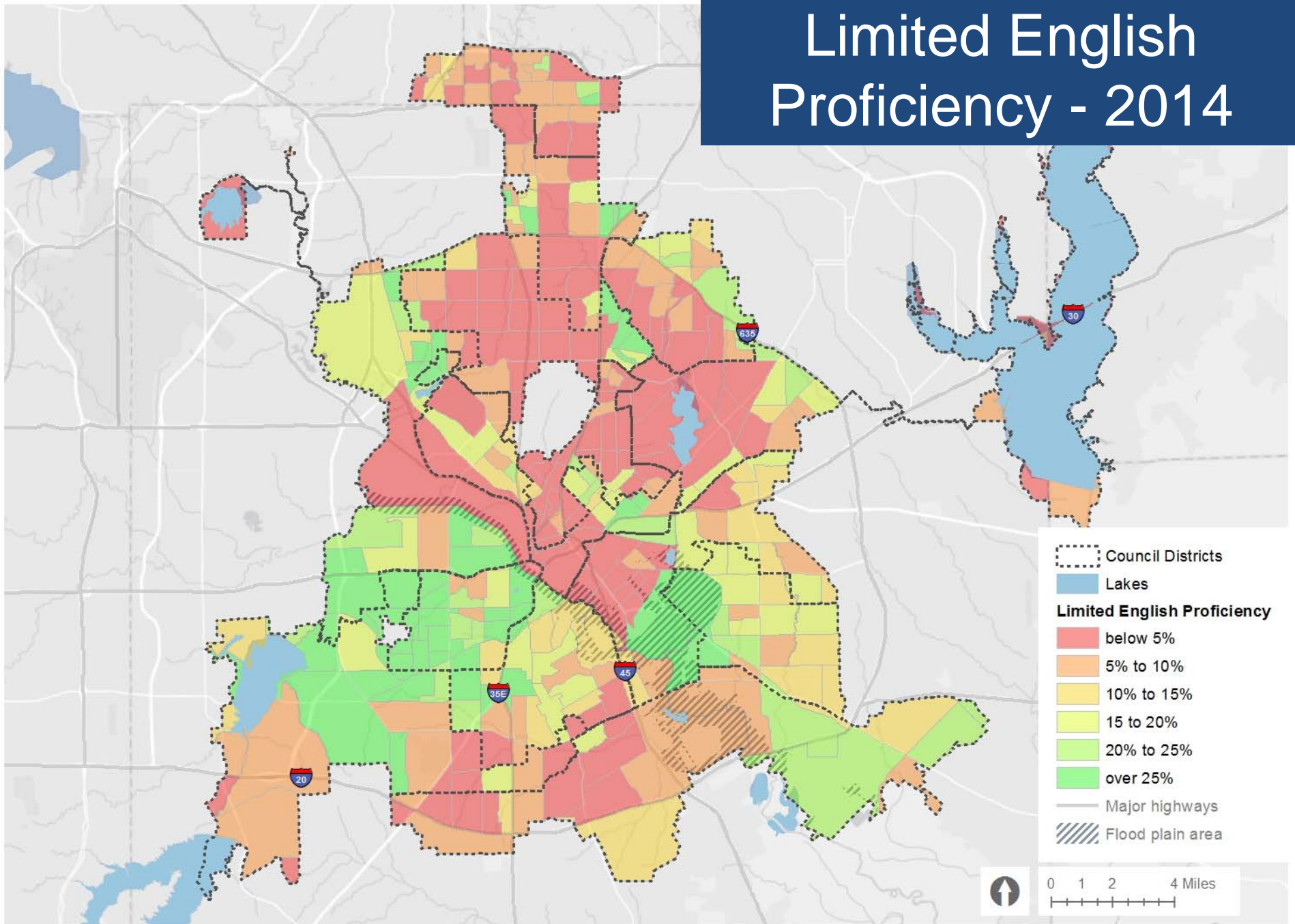
Source: U.S. Census Bureau, Census 1990, 2000, 2010; American Community Survey 2014 5-Year Estimates. Map produced by City of Dallas Department of Planning and Urban Design

# At least some College Education - 2014



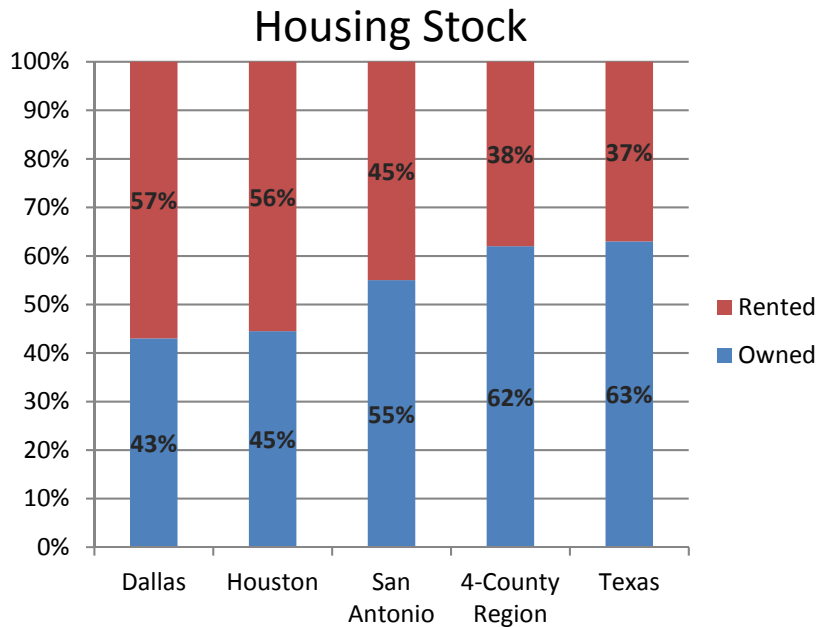
Source: U.S. Census Bureau, Census 1990, 2000, 2010; American Community Survey 2014 5-Year Estimates. Map produced by City of Dallas Department of Planning and Urban Design

# Limited English Proficiency - 2014



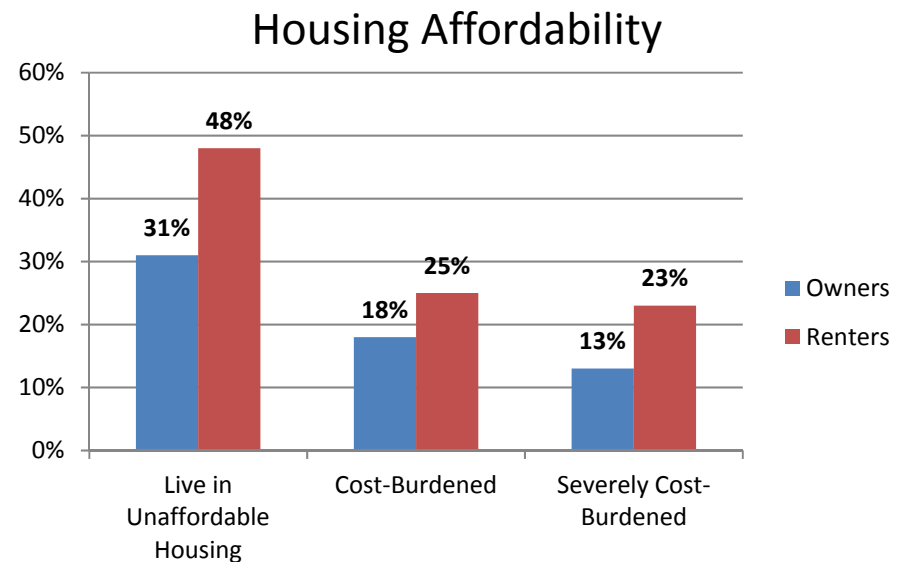


## Homeownership Rates are Low



- 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





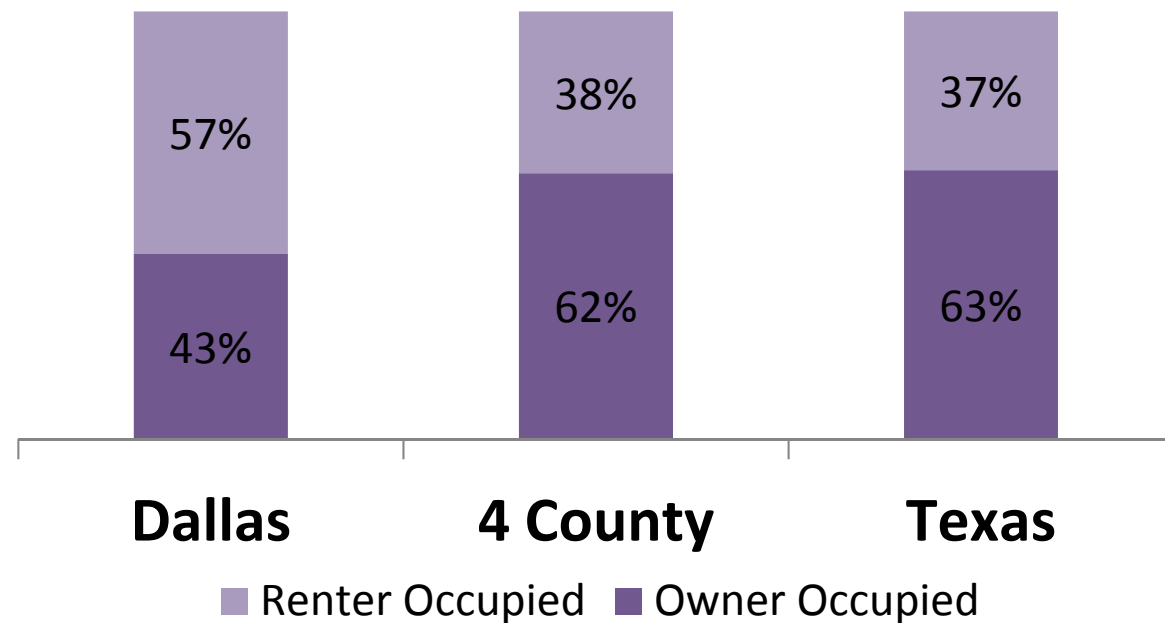


# Rental vs. Homeownership

The majority of households with children in Dallas are renting.

Households with Children (2013)

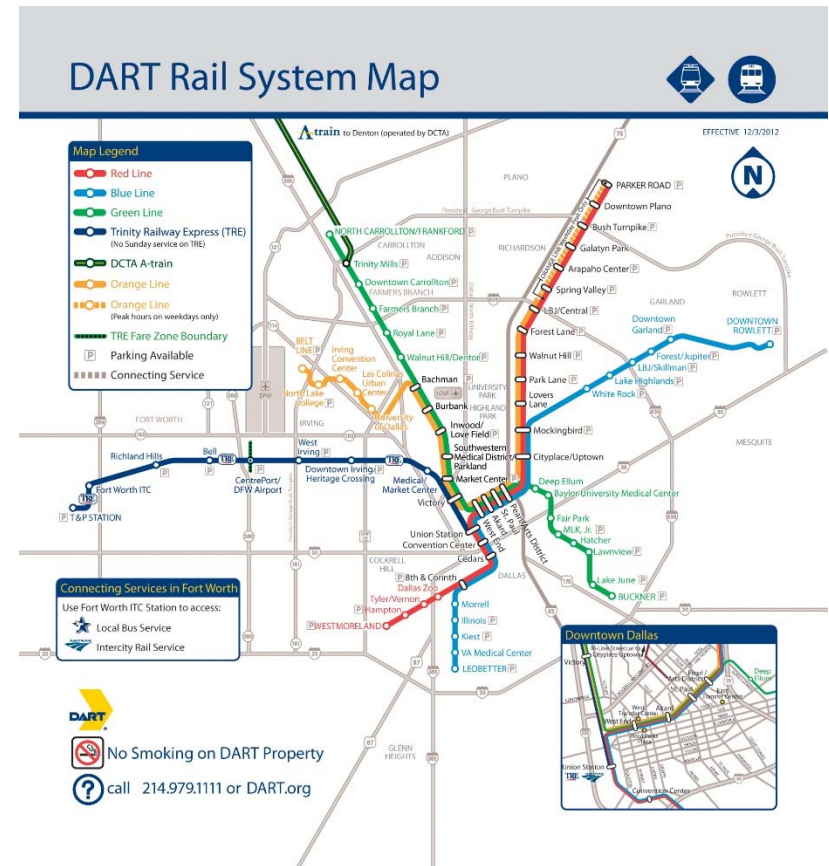
57% of households with children are renting





## Public Transportation Options

- 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



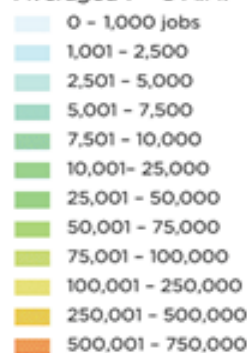
## Public Transportation Options

- 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

### Jobs within 30 minutes by transit

Most of Dallas' jobs accessible by transit within 30 minutes are in downtown and surrounding areas, though some suburbs have job centers near public transportation routes. But while the Dallas-Fort Worth region as a whole ranks fifth nationally in terms of the number of jobs, it ranks 21st in how many of them can be reached by transit in under one hour.

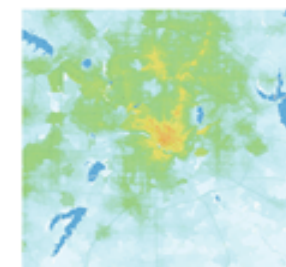
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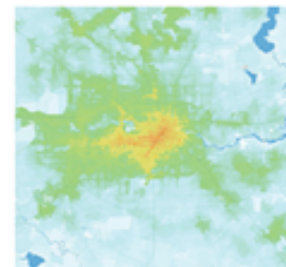
Austin



Dallas



Houston



San Antonio



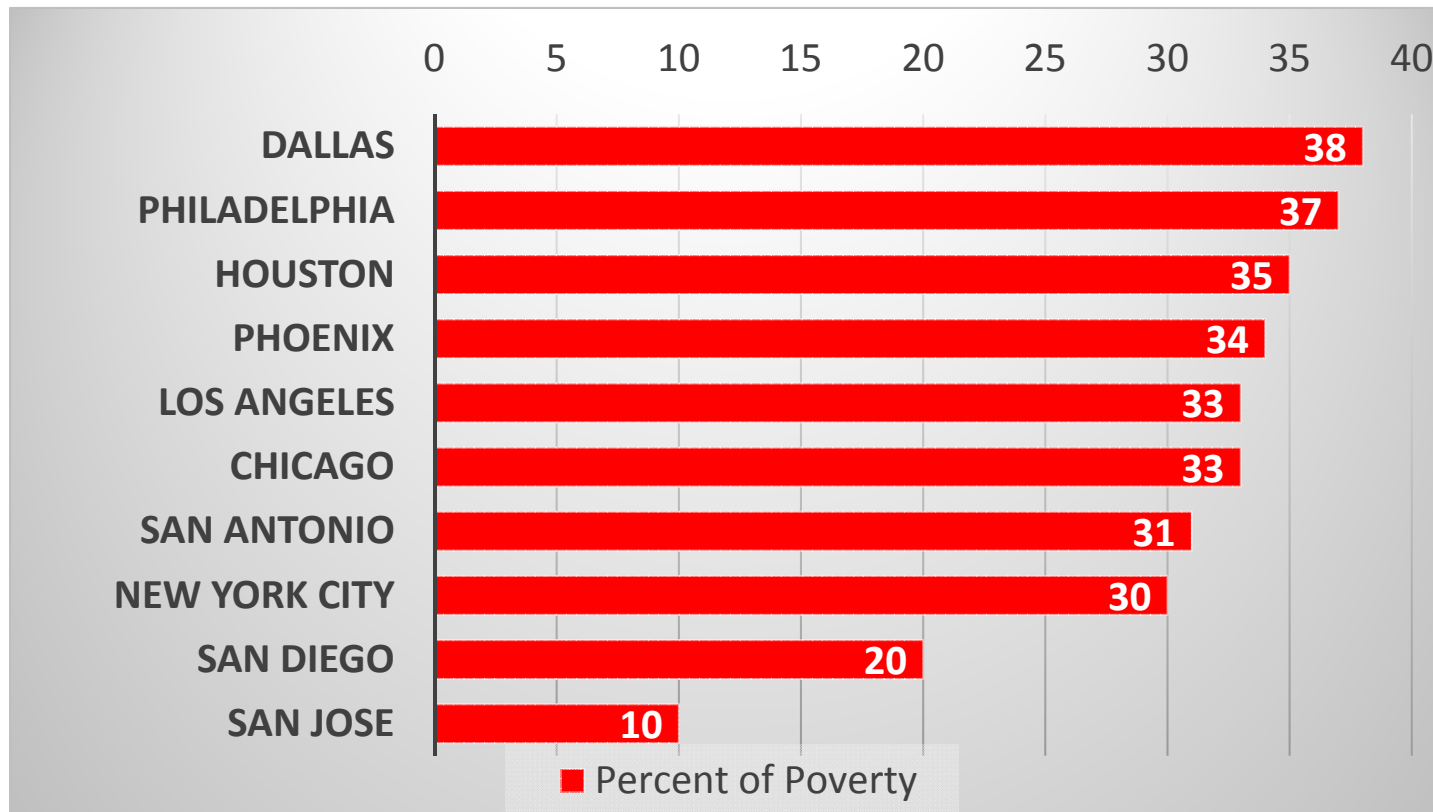
Source: Hamidi, Shima and Ewing, Reid, *How Affordable is HUD Affordable Housing*, 2016

Source: The Affordability Index: A New Tool for Measuring the True Affordability of a Housing Choice, Center for Transit-Oriented Development and Center for Neighborhood Technology, Brookings Institute, January 2016.



## Impacts of Poverty on Children

**Dallas has the Highest Child Poverty Rate of any City with a Population over 1 Million**



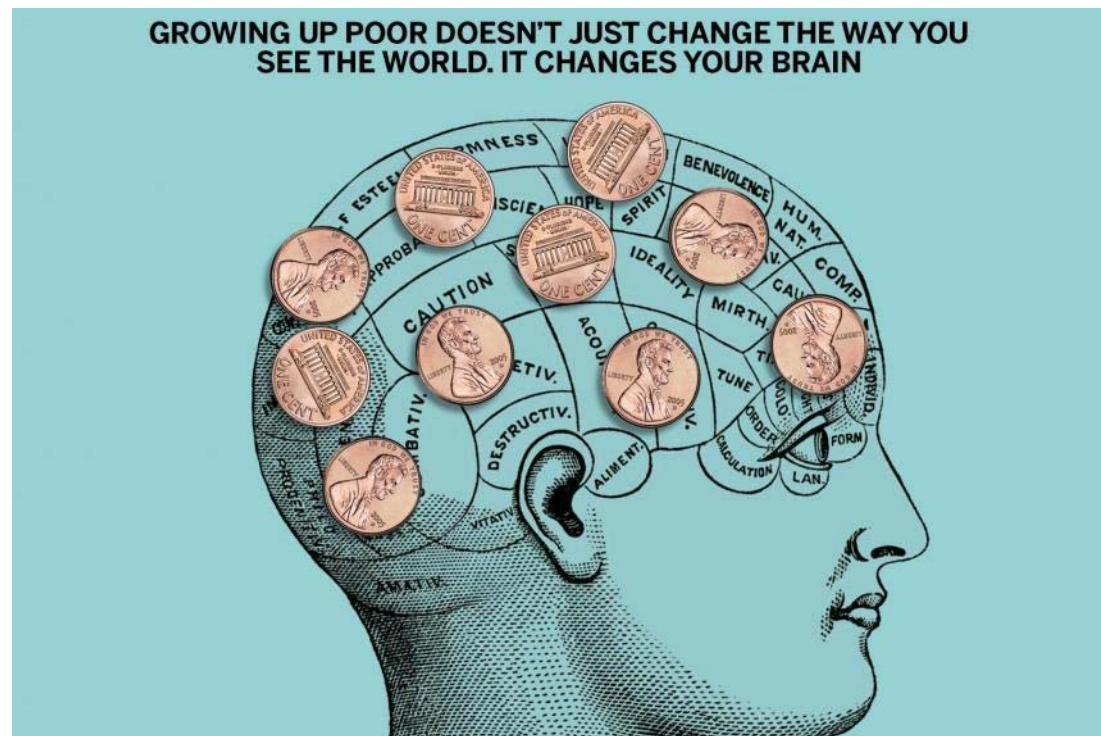


## Impacts of Poverty on Children

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.

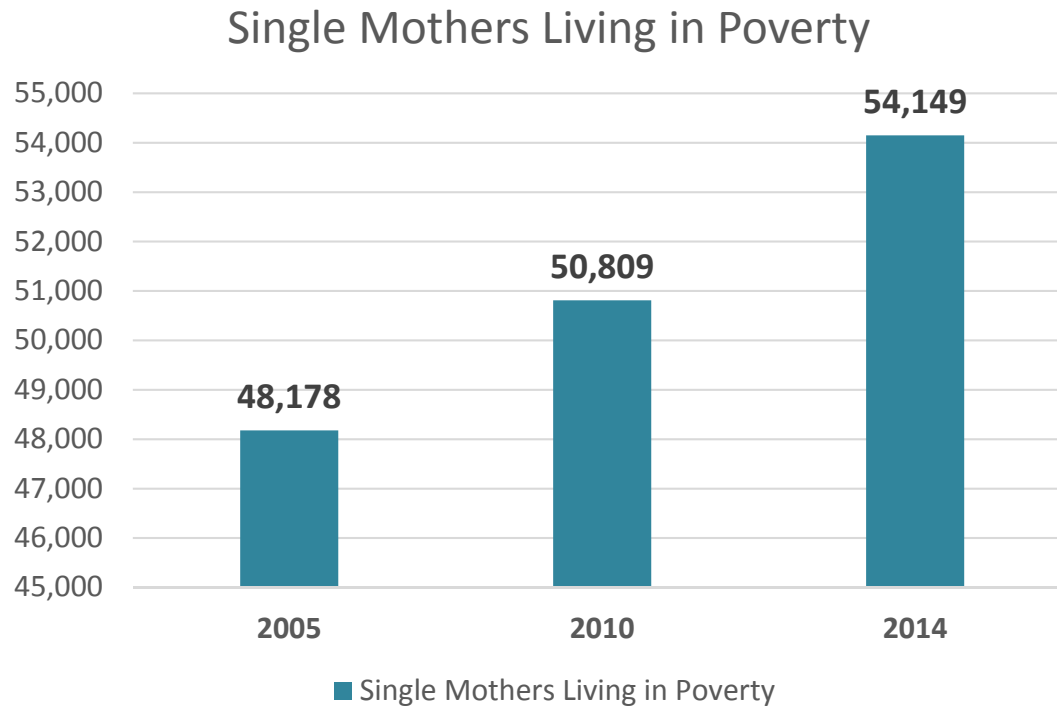


## The Neuroscience of Poverty



## Single Mothers Have High Poverty Rates

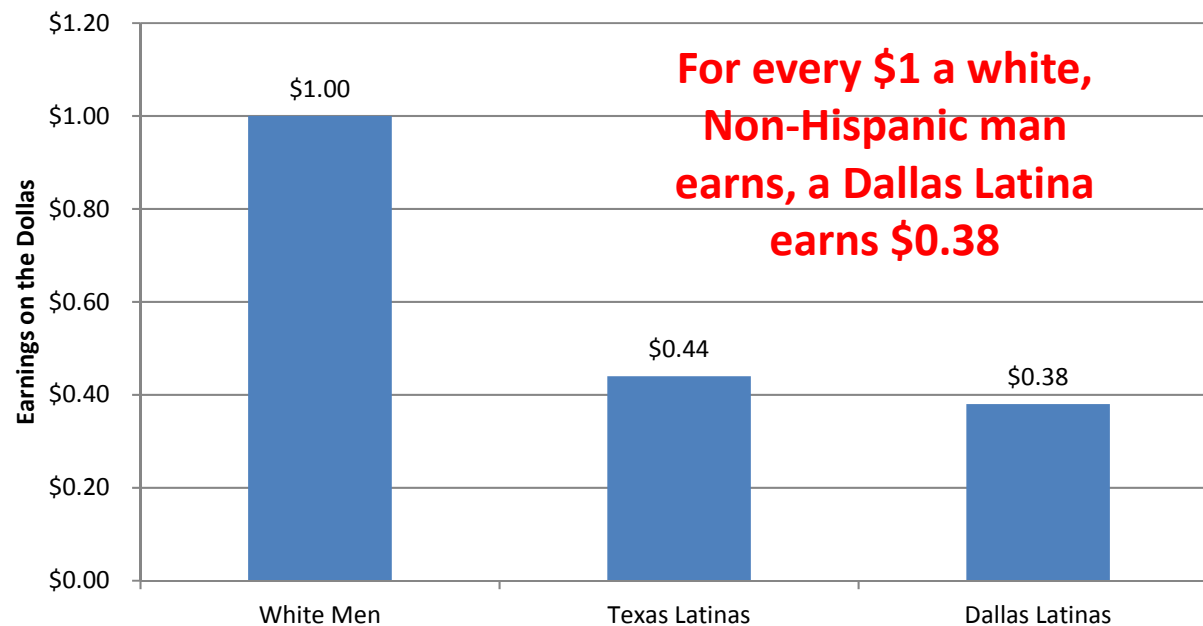
**48% of Single Mothers in Dallas live in poverty**





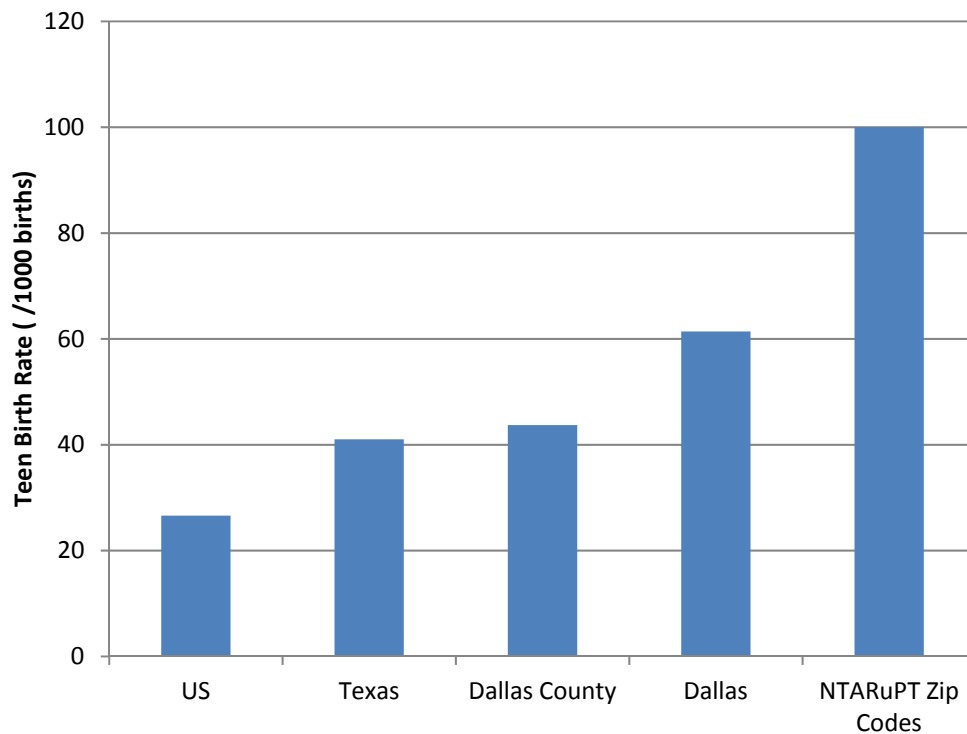
## Single Mothers Have High Poverty Rates

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





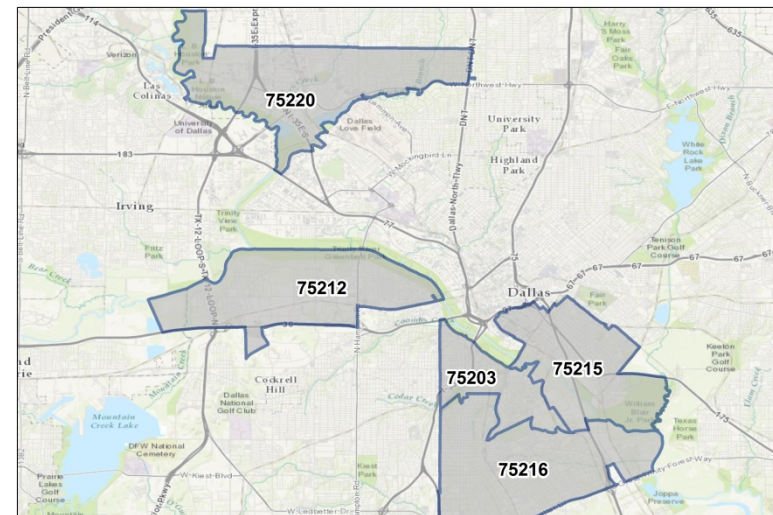
## Teen Birth Rates are High



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.”

North Texas Alliance to Reduce Teen Pregnancy



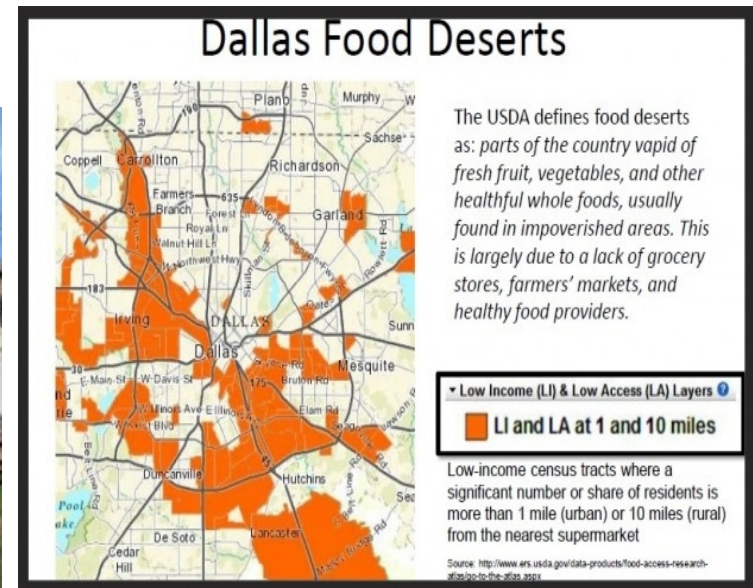




## Neighborhoods of Concentrated Poverty

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





## Recommendations

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 are 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



## An Operational and Systematic Approach

### 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



## An Operational and Systematic Approach

### **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



## Building Wealth and Assets

### 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



## Focus on Children

### 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

- Catholic Charities of Dallas. White Paper—Poverty in Dallas: Recommendations. August, 31, 2016. <https://ccdallas.org>
- Literacy Instruction for Texas (LIFT). Strategic Adult Literacy Outreach Assessing Opportunities and Identifying Growth. November 2014. <http://www.lift-texas.org>
- North Texas Alliance to Reduce Teen Pregnancy (NTARUPT). The Mayor’s Task Force on Poverty Short, Mid, and Long Term Solutions. August 2016. <http://www.ntarupt.org/>