

Memorandum



CITY OF DALLAS

DATE October 8, 2021

TO Honorable Mayor and Members of the City Council

SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

In August 2020, City Council was briefed on the Community Transformation Action Roadmap (CTAR). Coordinated through the Chief of Economic Development and Neighborhood Services, the CTAR encompasses forty-two City of Dallas projects and initiatives that are underway or on the horizon. It connects the dots between Economic Development, Historic Preservation, Housing, Planning and Urban Design, Sustainable Development and Construction, other City Departments, and external partnerships to make the work more fluid and efficient to ignite economic growth and social progress. The following is the quarterly update on the CTAR's projects and initiatives.

Economic Development Policy and Entity

In May and June of 2021, City Council unanimously adopted the Economic Development Policy document, recommendations to create a new Economic Development Entity, and appointed members of a task force to guide implementation of both. Additionally, the council approved contracts to engage two consultants: TIP Strategies to stand up the new entity, and HR&A Advisors to lead Policy implementation. Staff worked with consultants to develop a workplan and timeline. The Policy Task Force convened in August for its kickoff meeting. The Task Force will meet again in October to review and consider the proposed formation documents for the Economic Development Entity. If approved, the formation documents will be presented to the Economic Development Committee on November 1, 2021 and presented for council approval on December 8, 2021.

CTAR Economic Development Activities

The Office of Economic Development continues work on key initiatives highlighted in the CTAR, including:

- **Affordable Housing Fund**: Staff is negotiating City participation in an affordable housing fund proposed by a national Community Development Financial Institution (CDFI). This CDFI has created similar affordable housing funds in cities across the country and is investigating the viability of a Dallas fund. Staff is expected to bring forth to council the collaboration in late 2021.
- **Integrated Community Development Project**: As outlined in the Roadmap, ICDP is a pilot initiative to support social and economic progress in underserved Dallas neighborhoods. The initiative seeks to develop city owned properties in partnership with external partners to provide greater access to healthcare, access to healthy food, creative industry zones, green space, education and workforce development, broadband access, affordable housing, and financial empowerment. This project will also reimagine public safety by examining and responding to property decline, public nuisance, and other factors that assist with making neighborhoods safer by design. The first ICDP project is planned for the Pleasant Grove neighborhood. The Pleasant Grove ICDP is planned to include a healthcare clinic; an education, workforce, and arts center with an attached daycare; and

DATE October 8, 2021

SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

a residential community with diverse housing options and green space; and transit and mobility infrastructure. Staff is working with the procurement team to issue an RFP to solicit a master developer for the project. The RFP release is scheduled for late October 2021-November 2021.

Hensley Field Master Plan

The City Council Economic Development Committee was briefed on the evaluation of three alternative development scenarios in September 2021. These scenarios explored viability, costs, and benefits of various development opportunities on the 738-acre City-owned lakefront property. An RFI is scheduled for release in the Fall of 2021 to gauge interest in development of the site. The chosen scenario will serve as the foundation for a detailed master plan and implementation strategy. Staff, in collaboration with the consultant team, continues to work with a Stakeholder Advisory Group, Technical Advisory Group, and focus groups, as well as continued coordination on environmental cleanup and providing affordable housing. The completed Hensley Field Master Plan is scheduled for City Council review and action in Spring 2022.

ForwardDallas! Comprehensive Plan Update

On April 28, 2021 Council approved a consultant contract for the ForwardDallas! update. Subsequently, on May 26, 2021, City Council approved an amendment to the City Plan Commission (CPC) Rules to establish a new standing CPC Comprehensive Land Use Plan Committee. This committee, appointed by the CPC Chair, will oversee the ForwardDallas! plan update, provide recommendations to the CPC on the draft plan, and serve as a forum for stakeholder input throughout the planning process. The public engagement process was launched in August 2021 with the Neighborhood Summit. Staff are working towards identifying dates/times for the initial public feedback workshops that are tentatively planned to begin in October. We are planning 7 virtual geographically diverse events, that will be offset by hybrid/in-person outdoor events as available. Staff is also advertising virtual and socially distanced neighborhood meetings. The ForwardDallas Ambassador program application, a grassroots neighborhood leader training course, will be extended to October 15. The goal is to develop a draft plan for public review by Fall/Winter 2022.

Parking Code Amendment

On September 5, 2019, City Plan Commission (CPC) authorized a public hearing to consider amending Chapters 51 and 51A of the Dallas Development Code, with consideration to be given to amending off-street parking and loading requirements including, but not limited to, hotel, restaurant, multifamily, and alcoholic beverage establishment uses, and transit-oriented development. Between June 2020 and August 2021, staff worked together with the Zoning Ordinance Advisory Committee (ZOAC) to draft a proposal for the parking code amendment.

At the December 3, 2020 meeting, ZOAC gave direction to staff to begin to work on recommendations to eliminate parking minimums with exceptions as to where it would not be appropriate to eliminate minimums, as well as implementing other tools as suggested by experts, in particular parking management and design standards, to support no parking minimums on a site. Following this direction and based on research adjusted to city of Dallas particularities, staff explored various options for a general framework for parking regulations that include no required parking ratios and a series of qualitative requirements, such as design standards for parking, transportation demand management strategy – TDM, and Parking Benefit Districts.

In October 2021, staff launched a call for volunteered testing to all stakeholders and interested parties and anticipates working through the testing phase all month of November 2021. Moving

DATE October 8, 2021

SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

forward, the staff proposal for the parking code amendment will be presented to ZOAC towards the end of the year, anticipated to be presented to the City Plan Commission (CPC) at the beginning of 2022, and tentatively to City Council in the second- to third quarter of 2022.

Streamlining Historic Preservation Regulations and Processes

In December 2020, the Office of Historic Preservation (OHP) presented its findings arising from the development of a vision for historic preservation in Dallas followed by a series of public consultation sessions that sought to streamline the OHP's regulations and processes. The effort to streamline regulations and processes is necessary to advance other important initiatives such as the Historic Preservation Element of the Comprehensive Plan, updating the preservation ordinance for the Tenth Street Historic District, advancing initiatives that link historic preservation goals with economic development, affordable housing, and environmental sustainability, and developing policies and strategies to address demolitions of historic properties.

Following OHP's presentation of streamlining issues and opportunities, the Landmark Commission (LMC) established an Ad-Hoc Committee to explore measures that would assist OHP in its efforts to streamline its regulations and processes. At the June 2021 meeting of the LMC, the Ad-Hoc Committee that was struck presented LMC with three proposals. At the August 2021 meeting of the LMC, OHP presented an Issues and Options Paper in response to the proposals with recommendations that would include amendments to the City Code to enable a substantive increase in the administrative review function for certificates of appropriateness.

OHP also prepared and delivered presentations to approximately half of the members of City Council during August 2021, outlining the rationale and relationship of streamlining to economic development. Since September, OHP have embarked upon the process of preparing a bilingual public information brochure that summarizes the effort to streamline as it aims to respond to a request from the LMC to distribute the notice of the public hearing widely. OHP seeks to achieve this in time for the item to be placed on the November agenda of the LMC. It is anticipated that the LMC will make a recommendation to the City Plan Commission (CPC) regarding proposed adjustments to the City Code and that the CPC would follow with a recommendation to the City Council.

Nexus Study/One Dallas Options

BAE Urban Economics completed and presented its Nexus Study to the Housing and Homelessness Solutions (HHS) Committee in October 2020. The study analyzed the city's growing need for affordable housing based on the city's current job growth patterns. The study also proposed potential voluntary fees in lieu of on-site provision of affordable housing for any new residential or commercial development requesting zoning bonuses or other incentives.

Daedalus Advisory Services and staff are working on a proposed One Dallas Housing Options program. This program will expand the existing Mixed Income Housing Development Bonus program to include a menu of incentives such as expedited and prioritized development review, additional development volume (height, floor area ratio, and density), and potential financial incentives subject to underwriting and Council approval. In exchange, developers participating in the One Dallas Options program would provide on-site or off-site affordable units, dedicate land in lieu of the units, or pay a fee in lieu.

Daedalus Advisory Services is collecting stakeholder feedback and refining the proposed ideas. Daedalus will also produce a developers' handbook to facilitate the program's implementation.

DATE October 8, 2021

SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

Housing & Neighborhood Revitalization staff are leading the effort with support from the Departments of Development Services, Planning & Urban Design, Economic Development, and the City Attorney's Office staff. The program will include amendments to the Dallas Development Code, Chapter 20A of the Dallas City Code, and the Comprehensive Housing Policy. The Housing Policy Task Force, the Zoning Ordinance Advisory Committee, City Plan Commission, and the Housing and Homelessness Solutions Committee will each review the proposed changes prior to review by the full City Council, tentatively in January 2022.

PFC Creation

The Dallas Public Facility Corporation (DPFC) Board of Directors currently has 7 nominated members. Additionally, Staff anticipates that at least 8 members will be nominated by late October 2021. Once nominations and appointments are complete, DPFC will begin accepting, reviewing, and approving DPFC partnerships. The DPFC will begin receiving applications on October 1st, 2021 and expects to bring the reviewed and underwritten proposals to the DPFC Board of Directors for approval in mid-November 2021. Developer interest in the DPFC remains strong. Two of the three approved 1,000-Unit Affordable Housing Challenge developments anticipate partnering with the DPFC and would create 643 mixed-income/transit-oriented development units. Staff have also received unsolicited DPFC partnership term sheets for a total of 659 units. The developers anticipate submitting applications once the form application is released. Based on communication with the development community, staff anticipate receiving additional DPFC partnership applications for at least 1,600 affordable/workforce housing units.

Housing Units Production Pipeline

Housing staff are supporting multiple programs and projects, with thousands of new housing units on the horizon. 89 ownership units in Joppa, Chariot Village, Shady Hollow, and Prairie Creek, amongst other sites have been completed. Additionally, infrastructure is in place for a 58-home West Dallas development, with first 12 homes anticipated to be finished by the end of December 2021. Infrastructure in the Bottom neighborhood has also been completed. A groundbreaking on the 29-home housing development occurred there in August 2021.

All three Notice of Funding Availability (NOFA) multifamily projects approved in the 2018-19 NOFA are under construction. Estates at Shiloh (264 units) is 85% complete and will begin the rehab portion of its development soon. The Galbraith, formerly 2400 Bryan (215 units), is 45% complete and has begun work on the exterior of the structure. Palladium Red Bird (300 units) is almost 100% complete and leased. Three projects from the 2019-20 single-family NOFA are underway and will be moving onto their second phases soon. Several of the developments are nearing a close on financing with the city, pending certain documentation. Via NOFA, Housing received applications for 2,047 units in this fiscal year and City Council has approved funding for five of the projects, totaling 724 total units.

Housing staff are also tracking Low-Income Housing Tax Credit (LIHTC) and Dallas Housing Finance Corp (DHFC) projects. All three 2018-2019 NOFA projects listed above are under construction and on schedule. An additional 1,851 units among nine projects have reached financial close and are under construction and 1,731 units across seven projects have received a Preliminary Inducement from the DHFC. Developments for the Mixed Income Housing Development Bonus are underway with 1,313 units scheduled for completion within the next 18 months. Staff has submitted restrictive covenants for eight mixed-income multifamily projects. This will bring 1,678 units to Dallas, 137 of which will be reserved for affordable housing. Most of these units are located in areas of opportunity throughout Dallas and will accept voucher holders as tenants.

DATE October 8, 2021

SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

Since its reopening in 2018, the land bank has received, and City Council has approved applications for, the construction of homes on 142 lots. Of these lots, 55 homes have been built and sold, 1 has been built and is pending sale, 44 have been permitted and are under construction, and the remaining 42 are in preconstruction phases. Outside of the NOFA, City Council has approved the sale of 203 Land Transfer lots that are in the process of closing with developers. Staff are processing applications for the sale of an additional 10 lots.

Housing Repairs and Improvements

The 2018-2019 Home Improvement and Preservation Program is almost complete. 17 homes have been repaired or reconstructed and two additional projects are almost finished as well. All 42 of the 2019-2020 applications have closed with the homeowner, and 17 have been completed. As of September 2021, all projects approved by staff for the FY 20-21 application had been closed with a contractor and two repairs had been completed.

The Dallas Tomorrow Fund has completed five home repairs to date this year and three additional homes are under construction.

The Healthy Homes Lead Reduction program has tested 24 homes so far. Fifteen of these homes tested positive for lead and are currently in the bid process with contractors.

The Targeted Repair Program has prequalified 40 homes, and the first 4 are under construction in West Dallas. Additional agreements are pending final signature from the City Attorney. Foundation inspections are scheduled in Tenth Street for October, after which bids and subsequently construction can begin.

The Emergency Home Repair program is complete, having served 153 residents who suffered damage from the winter storm.

Reimagine City Development Processes

In August 2021, the Department of Sustainable Development and Construction (SDC) began a three-phase transformation and recalibration. In addition to a leadership transition and name change (as of October 2021, is now, Depart of Development Services), policy, processes and infrastructure underwent an assessment phase. On October 4, 2021, the Phase II findings and recommendations were presented to the Economic Development Committee. The briefing included proposed changes to Chapter 52, an overview of updating and calibrating the department's technology products, leadership recruitment, staff training, and a self-certification program. The transformation is now entering Phase III, realignment, implementation, and refinement. Staff continues to seek ways to elevate customer service and streamlining of the permitting process to make it more efficient and effective. Staff is also collaborating with the development community to continue to seek feedback for improvement.

Project Management Software / Dashboard

In July 2021, the City of Dallas commenced its contracted with Envisio, the project management and dashboard solution that will track and report internally and externally, the CTAR's progress. This software is being used by other municipalities in Texas, and other cities across the United States. The 3-year contract was purchased through a reseller and finalized at the end of April. Staff is currently onboarding the CTAR's projects and initiatives and immediately following will begin the dashboard's visualization. A soft launch of the dashboard is scheduled for December 2021.

DATE October 8, 2021
SUBJECT **Quarterly Update on the Community Transformation Action Roadmap**

We will continue to provide progress updates on CTAR projects and initiatives via memorandum and committee briefings. Please reach out if you have any questions or concerns. Should you have any questions please contact me.



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