

# Memorandum



CITY OF DALLAS

DATE December 28, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Meeting with U.S. Department of Housing and Urban Development on Ridgecrest Terrace Apartments**

On Wednesday, October 24, 2018, the Dallas City Council requested that the City Manager reach out to the U.S. Department of Housing and Urban Development (HUD) to explore actions that could be taken to address dilapidated multifamily properties such as Ridgecrest Terrace Apartments (Ridgecrest). This memorandum is intended to summarize the discussions held to date.

## Summary

On Monday, December 17, 2018, my staff and I met with HUD Regional Administrator Beth Van Duyne and her staff. During the meeting, we discussed specific issues related to Ridgecrest and had broader discussions about Housing Assistance Payment (HAP) contracts, redevelopment of dilapidated multifamily properties, and affirmatively furthering fair housing.

## Background

Ridgecrest is an occupied, 250-unit multifamily property that was built in 1969. Currently, the property is subject to a project-based HAP contract administered by HUD that requires units to be set aside for rental to low-income tenants. The HAP contract expires on August 31, 2020.

Late this summer, on August 28, 2018, the City of Dallas filed a lawsuit against the owner of Ridgecrest, alleging that the property was a place where persons habitually go to commit crimes, including aggravated assault, arson and aggravated robbery. The lawsuit also alleged that the owner knowingly tolerated the habitual criminal activity and failed to make reasonable attempts to abate the activity. Later, on October 5, 2018, the City amended its lawsuit to further allege that the owner failed to maintain the property in compliance with City codes, including failing to provide sufficient fire extinguishers, heating facilities, and working plumbing fixtures. On December 12, 2018, a Dallas County judge entered a temporary injunction that orders the owner of Ridgecrest to repair the property within six months.

During the same late-summer timeframe, DAL Steele Ridgecrest LLC was seeking to acquire and rehabilitate Ridgecrest and proposed to obtain an allocation of housing tax credits to partially finance the acquisition and rehabilitation of the property. In pursuit of the tax credit allocation, DAL Steele Ridgecrest LLC submitted a proposal for a Resolution of No Objection from the City of Dallas, which was considered by the Dallas City Council on October 24, 2018. Staff did not recommend that the City Council issue a Resolution of No Objection for Ridgecrest because it did not obtain a passing score for its proposal and

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the proposed project did not affirmatively further fair housing. The City Council voted to decline to issue a Resolution of No Objection for Ridgecrest and directed the City Manager to contact HUD to determine whether HUD could find the current owner “in default” of the existing HAP contract and issue portable rental assistance vouchers that would allow residents of Ridgecrest to relocate to housing that is decent, safe and sanitary.

On November 13, 2018, I contacted HUD via letter, a copy of which is attached to this memorandum, and requested an in-person meeting so that we could discuss the specific concerns raised by the City Council about Ridgecrest and have a broader discussion about HAP contracts and investing in racially or ethnically concentrated areas of poverty (R/ECAP).

### Issue

On Monday December 17, 2018, my staff and I met with HUD Regional Administrator Beth Van Duyne and her staff. Through the discussion, we learned the following about Ridgecrest:

- Ridgecrest is on HUD’s “watch list” due to the condition of the property and HUD’s concerns about the crime occurring on the property and within the surrounding neighborhood. HUD staff are closely monitoring the property and make frequent site visits to the property;
- In the past five months, HUD inspected the property conditions at Ridgecrest twice. On its most recent inspection, Ridgecrest received a passing score. HUD’s standards are lower than the City’s Chapter 27 standards or minimum housing standards;
- HUD has worked with the owner and property manager to develop a new policy to prevent illegal parking. Residents must register cars with the property manager and non-registered cars parked onsite are now subject to being towed at the owner’s expense;
- HUD also completed a management performance review of Ridgecrest that looked at financial reporting, tenant files, security and maintenance and assigned Ridgecrest a “below average” rating;
- While the HAP contract for the property expires in 2020, it is subject to auto-renewal at the discretion of the owner. Therefore, unless the owner is in default of the contract, there is no basis for HUD to decline to renew the contract; and
- The owner, if he so chooses, may assign a portion of the HAP contract to another multifamily complex, subject to HUD’s approval.

HUD representatives also stated that they were aware of the City’s litigation efforts related to crime and property conditions at Ridgecrest and noted that the City is the entity responsible for enforcing the City’s Minimum Property Standards.

Additionally, we identified the following opportunities for HUD and the City to collaborate:

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- HUD agreed to provide the City a list of all properties in the City of Dallas that currently have a HAP contract, along with the expiration dates of the contracts; and
- HUD indicated that various divisions in HUD, including the Office of Community Planning and Development, may be able to provide technical assistance to the City regarding identifying and implementing strategies to redevelop dilapidated multifamily properties.

Finally, we discussed the City's and HUD's duties to affirmatively further fair housing. HUD officials noted that a determination of whether the construction or rehabilitation of housing affirmatively furthers fair housing, especially if such housing is located in a R/ECAP, is based on a complex set of factors, including when a project is constructed in relation to the construction of other housing reserved for low-income households and the occurrence or non-occurrence of activities designed to provide low-income households greater access to opportunity. Additionally, we asked specifically about any new tools or programs that might be forthcoming from HUD at the national level that would assist jurisdictions with the obligation to affirmatively further fair housing. Ms. Van Duyne recommended that the City look at best practices from other jurisdictions as she did not anticipate any new tools or programs coming from HUD.

#### Staff Recommendation

After learning more about HAP contracts and the actions being taken by HUD to address maintenance concerns at properties with HAP contracts, the City will utilize the information provided to devise a more targeted approach to holding property owners accountable and coordinating efforts across all City departments and offices. It will also continue to implement the Comprehensive Housing Policy prioritizing mixed-income development activities that help to decrease the expansion of R/ECAPs. This proposed redevelopment strategy will be briefed to the City Council in late-April or early-May.



C. Bradnax  
City Manager

[Attachment]

c: Chris Caso, City Attorney (I)  
Carol Smith, City Auditor (I)  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
M. Elizabeth Reich, Chief Financial Officer  
Directors and Assistant Directors



CITY OF DALLAS

November 13, 2018

Beth Van Duyne  
Regional Administrator  
U.S. Department of Housing and Urban Development  
808 Cherry Street  
Fort Worth, Texas 76102

Dear Ms. Van Duyne:

On behalf of the City of Dallas, I write to initiate a dialogue with you on housing issues that are of critical interest to our residents, elected officials and staff. Recent discussions at City Hall on the living conditions at Ridgecrest Terrace Apartments, located at 400 South Walton Walker Boulevard, Dallas, Texas 75211 (Ridgecrest), led to questions on how properties with such poor living conditions should be addressed. To improve the quality of life for residents living in such dilapidated properties, the City of Dallas would like to meet with HUD to devise an intervention plan for properties that perpetuate poverty and segregation of low-income residents.

A proposal was recently submitted to the City of Dallas which included the purchase of Ridgecrest by a new owner and the use of 4% Low-income Housing Tax Credits (LIHTC) for rehabilitation. The developer for the project was seeking a resolution of no objection from the City of Dallas to secure bond funding through the Texas Department of Housing and Community Affairs. City Council ultimately voted to decline the request for a resolution of no objection on October 24, 2018. The concern was that Ridgecrest does not pass the fair housing review because 100% of the units are occupied by low-income tenants and the surrounding area has a high concentration of poverty. If 4% LIHTC were used to finance Ridgecrest redevelopment efforts, it would require an extension of the affordability period for 100% low income housing tenants. Critical to the analysis is that the complex is dilapidated and residents should not be forced to live in those conditions. The City of Dallas filed a lawsuit to obtain an order requiring the property owner to take reasonable measures to abate crime at Ridgecrest and to repair the substandard conditions at the property. However, the City realizes that it cannot independently turn around Ridgecrest and other like properties without some help.

In an effort to start the dialogue on an intervention plan, I offer the following questions for consideration:

- The HUD Housing Assistance Program (HAP) contract at Ridgecrest requires that 100% of units be occupied by low income households, can this requirement be amended to encourage mixed-income housing?
- Does HUD's contract with the owner require that the property be maintained at a certain level? If so, who monitors the property to ensure the property is maintained at the level that HUD requires?

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Beth Van Duyne

Ridgecrest Terrace Apartments, located at 400 South Walton Walker Boulevard, Dallas, Texas  
75211 (Ridgecrest)

- Can HUD offer relocation to tenants in the worst units?
- Do HAP contracts require property owners to set aside funds for replacement costs?
- How do we utilize tax credit bond funding to revitalize blighted low-income housing projects without triggering fair housing violations?


We would like to meet with you and the members of your team who could best address the issues outlined above. My contact for scheduling is Esmeralda Martinez. Esmeralda's contact information is:

Email: [Esmeralda.martinez@dallascityhall.com](mailto:Esmeralda.martinez@dallascityhall.com)

Phone: 214-670-3297

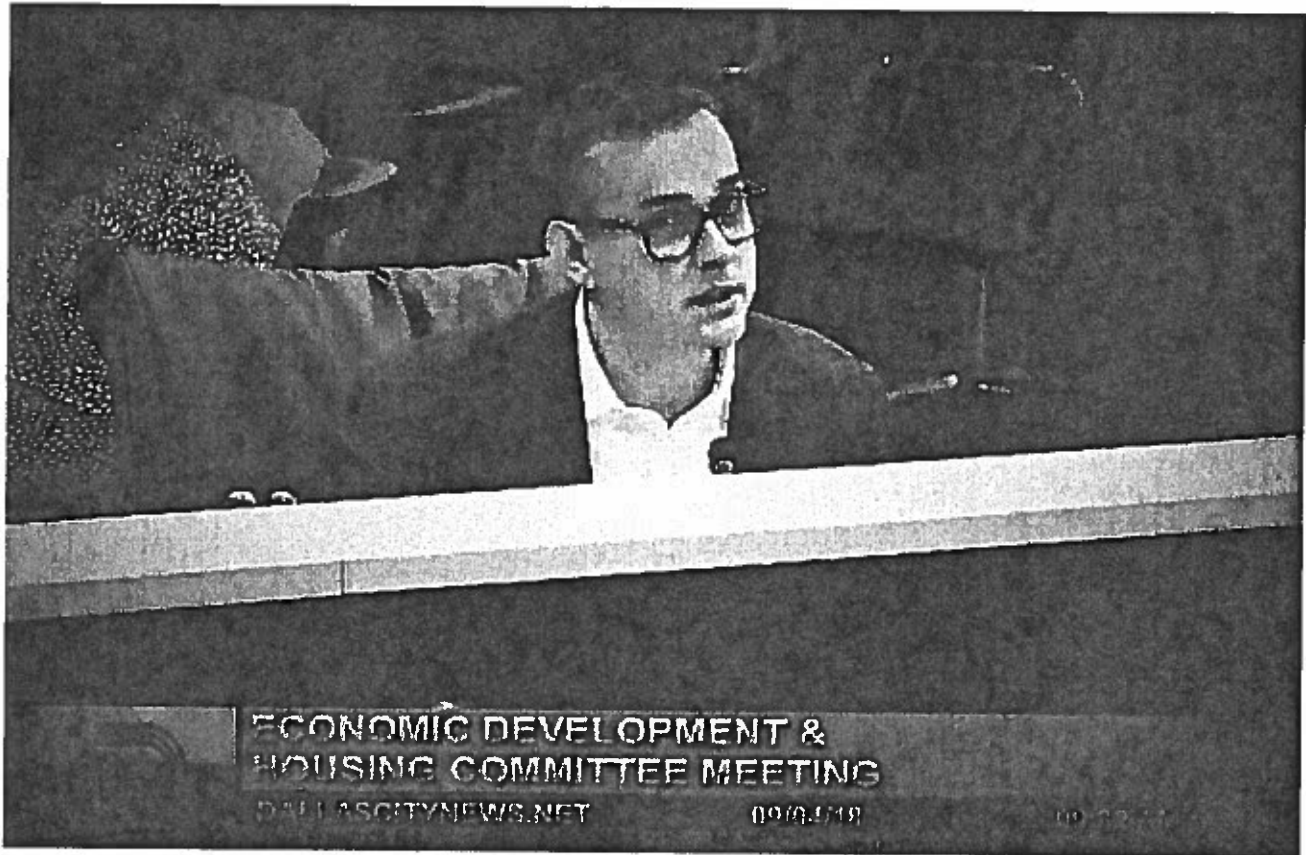
I have also included attachments of recent articles that have been written about the Ridgecrest property. Your consideration of this request is greatly appreciated.

Sincerely,



T.C. Broadnax  
City Manager

Attachment



At a recent city council committee hearing, Council member Scott Griggs grilled the city's director of housing over the identity of parties behind a request for a change in the city's recently adopted housing policy.

dallascityhall.com

## City Staff Push Policy Change That Reinforces Racial Segregation

JIM SCHUTZE | SEPTEMBER 19, 2018 | 4:00AM

Monday *The Dallas Morning News* made some great points in an editorial about racial segregation in the city and the Trump administration's troubling initiative to de-emphasize desegregation in national housing policy. The defect in the editorial – the thing always left unsaid in Dallas – is that segregation is what the old entrenched black leadership of the city wants.

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**“You’ve already got the information. We are being asked on this committee to make this guess in the dark based on staff representations.” - Scott Griggs**

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As we speak, African American City Council member Casey Thomas is trying to take a sledgehammer to the city's recently adopted housing policy, because he wants to enable a real estate venture that will lock poor minority families into a decades-old hell-zone of crime and segregation.

I was unable to reach Thomas in person. I am basing my characterization on his public statements and actions.

The *Morning News* editorial cited Harvard studies and a plethora of other sources proving that racially segregated neighborhoods with high poverty and crime rates are bad for children. That finding would be more impressive if the same thing had not been proved 64 years ago by Doctors Kenneth and Mamie Clark, inventors of the brown and white doll test.

Racial segregation is bad for human beings. We know that already. Or do we?

Dallas City Council member Scott Griggs, who is white, was suspicious of a recent housing initiative by the city manager. Griggs caught city staff deliberately misleading council members by concealing names obviously known to the staff. The deal is being championed by Thomas, in whose district it will take place if approved by the full council.

And guess what kind of deal it is. It's a deal that will pour more millions of public dollars into an already heavily subsidized segregated hell-hole. To get it done, the city must amend its much vaunted new housing policy, which was supposed to be aimed at moving poor minority families out of areas of so-called "impacted poverty."

Is this deal underway because somebody has spotted a window of opportunity in the new Trump policy? Does someone think now we can spend millions of public housing dollars and not even try to achieve racial desegregation? Maybe.

If so, let's remember this: If there is a will to abandon desegregation and reinforce segregation in our city, at least some important element of that will comes from the old entrenched southern Dallas black leadership.

Griggs was alarmed when city staff came to the council's housing committee asking for what looked on the surface to be a highly technical and minor change in procedure. The city manager wanted the committee to alter the timing by which the council reviews applications by housing developers who are seeking public subsidy money. When staff got suddenly vague about the why and wherefore, Griggs suddenly smelled something rat-like.

By demanding emails and other communications, he learned that this specific request originated not with staff but with a private for-profit housing developer – something staff had neglected to mention.

On Aug. 29, Allan Izzo, development manager for a national affordable housing company called Steele Properties, wrote to a mid-level city housing official with a problem. Izzo's company wanted to enter into a partnership with the Dallas Housing Authority (DHA), a quasi-independent arm of city government, to rehab a notorious housing project called Ridgecrest Terrace Apartments on South Walton Walker Road in far West Dallas.



But Izzo had a problem: “As part of the approvals and application process,” he wrote, “the project needs a *No Objection Resolution* from the Dallas City Council. However, the Housing Policy adopted on May 9th does not allow for a deal like Ridgecrest to get this resolution in time.”

More digging in the emails revealed to Griggs that City Manager T.C. Broadnax was already lining up support among his top aides for the change that Izzo was seeking. Broadnax wrote to his cabinet-level staff: “I attended a meeting last week where this issue came up and there seemed to be merit to us being less rigid and flexible in our review and consideration of timelines for review of these types of projects.”

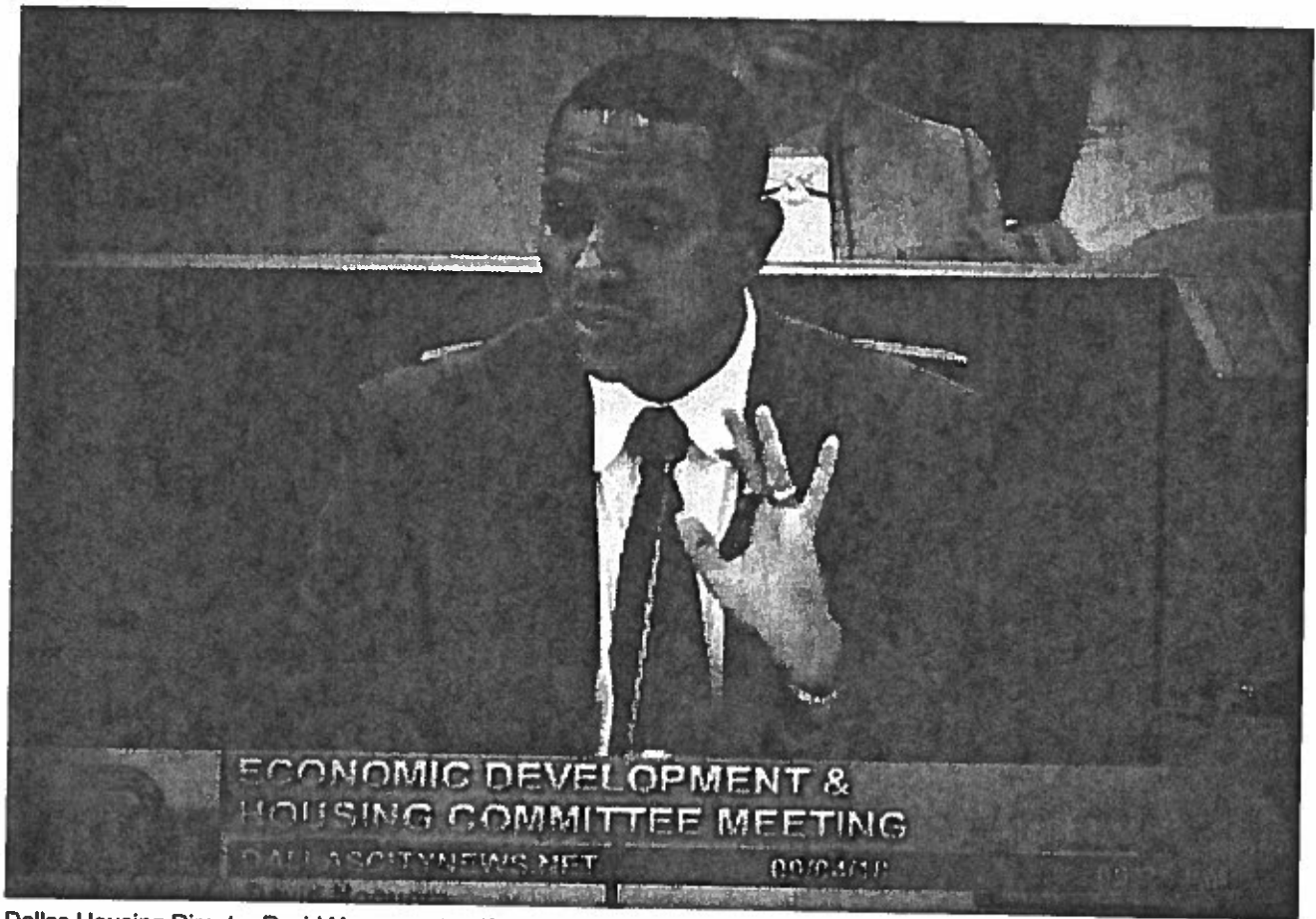
Broadnax said the change in the review process was a good idea, “... particularly if there is no fiscal impact to the City, but a benefit as it relates to projects moving forward and assisting us toward our housing goal.”

Not all of Broadnax’s own staff agreed with him about the impacts and benefits. In particular, Raquel Favela, the top assistant who was the primary author of the city’s recently adopted housing policy, expressed alarm.

Rather than shoot back directly at her own boss, Favela wrote to David Noguera, the city’s housing director, whose rank was equal to or slightly less than her own: “I’m concerned that you are so flippant about just changing the policy if you cannot articulate the intent,” Favela said.

“If you are asking me to change the policy, can you tell me what problem I would be solving for?”

But the problem was the problem. The real problem, Izzo’s problem, has been a secret carefully guarded by Noguera, at least in public. I don’t know if Favela ever found out what was really behind the policy change. I haven’t been able to reach her. But I do know this: Not long after her exchange with Noguera, Favela, who up until that time had been Broadnax’s star performer, abruptly resigned from the city.



Dallas Housing Director David Noguera steadfastly declined to name the groups behind a request for a change in the city's housing policy.

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Several reasons have been floated publicly for seeking the scheduling change in the way the City Council reviews projects seeking a tax subsidy. The one insisted on first by Noguera at the recent council committee meeting – a simple streamlining and removal of red tape – is the least honest.

When it started to look as if the committee would delay its decision, Noguera quickly defaulted to Reason B, that any delay would cost the developer, whom he would not name, a shot at lucrative and necessary public financing. But even that explanation doesn't get close to the biggest issue at hand.

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**“I think the fact that we are not in line, and possibly those projects are in jeopardy of not receiving the type of support, regardless of what the project is, I think that is reason enough for us to consider this.” - Casey Thomas**

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Under the city’s new housing policy, if the Steele project were to compete head-on with all other applicants, it would come up a clear loser, according to the policy. The whole point of the new policy is to move people – especially children – out of segregation and out of entrenched hell-holes.

Both of these are what Ridgecrest is and has been for decades. Hacking the policy by setting up a separate approval date will allow Ridgecrest to get city approval ahead of other projects more competitive under the new policy.

In 2010, Ridgecrest Terrace was the focus of a national scandal. The police department hated the place. In spite of conditions described at the time by a church outreach worker as “absolutely horrible,” the U.S. Department of Housing and Urban Development (HUD) over a period of years had sluiced subsidy money into the pockets of the owners.

When an embarrassed HUD belatedly tried to crack down, a mysterious fire occurred in which a firefighter died. Soon afterward, Ridgecrest passed to its current owners.

More tax dollars were spent to rehabilitate the project again. It is now already in such terrible condition again that the city is suing the new owners over building code violations and high crime rates.

The new deal, if approved, will mark the third time tax dollars aimed at rehabilitation will pour into a project that always dives straight back to the bottom as soon as the work is done.

During these periods of decline, before the fire and after, the agency responsible for inspecting Ridgecrest and enforcing federal housing standards has been DHA, the housing authority. In other words, all of the miserable failure there has occurred on DHA's watch.

Another part of the proposed new deal for Ridgecrest, also not revealed to the City Council by staff, is that Steele Properties intends to reward DHA for this history by taking it on as a full partner in the new venture. A new entity called a public facilities corporation, also not mentioned to the council, already has been formed so that the new Steele/DHA venture will escape paying property taxes.

And lastly, also not mentioned to the council, is that DHA will get a "development fee" for partnering in the deal and will pocket even more lucrative fees later on when the public facilities corporation issues bonds. A person with close personal knowledge of the transaction, speaking not for attribution, said the cash windfall to DHA could be in the neighborhood of \$7 million.

I tried to reach both City Manager Broadnax and DHA President and CEO Troy Broussard by detailed email and by phone and did not hear back.

Appearing before a recent meeting of the council's housing committee, Noguera, the city's housing chief, insisted at first the amendment to the new housing policy sought by staff was only about removing red tape. He refused under repeated questioning by Griggs to name the people seeking the change.

Griggs knew all the names by then, of course, but he wanted Noguera to pony them up on the record for the rest of the committee to hear. He said, "You've already got the information. We are being asked on this committee to make this guess in the dark based on staff representations."

Noguera refused.

But Thomas, in whose district Ridgcrest lies, praised the proposed policy change and said he didn't need to know any names. He argued that the developers, whoever they were, needed money.

"I think the fact that we are not in line, and possibly those projects are in jeopardy of not receiving the type of support, regardless of what the project is, I think that is reason enough for us to consider this," Thomas said. "I don't need a list of the projects to see that this is something we need to do."

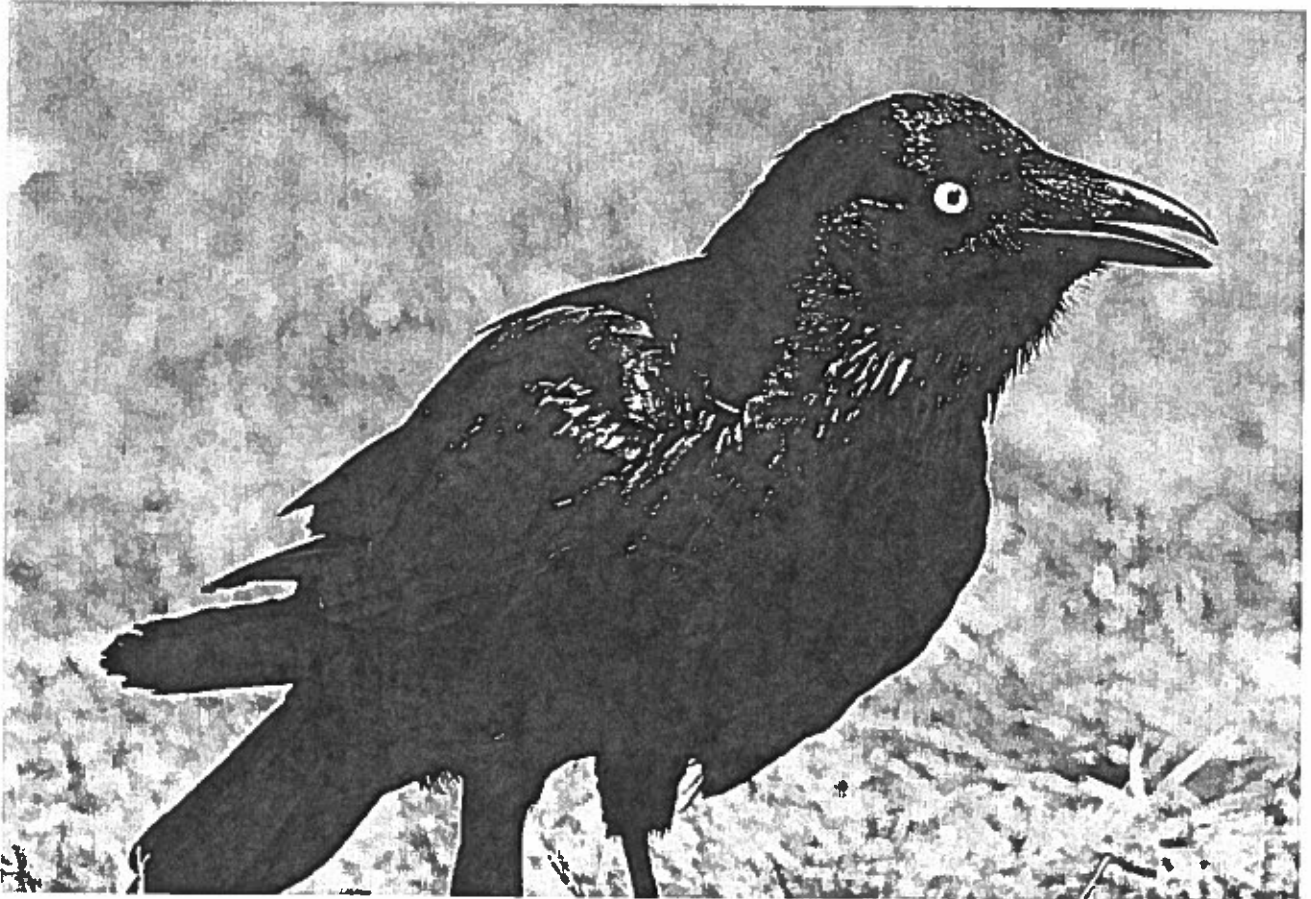
At Griggs' urging, the committee postponed consideration of the policy change. It comes back to the committee for reconsideration on Oct. 22. But Griggs sent a memo to the city manager Wednesday (below) complaining that city staff has ignored the delay vote of the council committee and is proceeding with the Steele request anyway. That's some hustle.

**[ Please read web version for embedded content ]**

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# Observer



Corvus mellori, also known by the colloquial name, what Jim's got for lunch today.

Toby Hudson Wikipedia

## First Some Crow to Eat, Then We Dig Into the Good Stuff

JIM SCHUTZE | SEPTEMBER 24, 2018 | 4:00AM

Last week I got an important fact wrong in a story about a troubled apartment complex in far West Dallas. I said the agency responsible for enforcing basic standards there over a period of years was the Dallas Housing Authority. That was not true.

In fact, an entity in Austin has been responsible for policing standards at Ridgecrest Terrace Apartments, a large complex just south of Arcadia Park near the intersection of South Walton Walker and West Jefferson two miles east of Mountain Creek Lake almost in Grand Prairie.

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**“We will provide you with a response in a timely manner, but not likely today. I would advise an article misrepresenting the facts not be published in haste. Talk soon.”- Jacqueline Chen**

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The complex has been plagued by crime and building code violations on and off for a decade. The issue of enforcement in that time is relevant, because DHA is asking the city to jump through some legal hoops to enable it to gain new federal funding to fix up and operate the place.

I described this idea as rewarding DHA for a poor job of enforcement in the past. That was unfair, because DHA wasn't responsible for enforcing standards there in the past.

Now, with the crow-eating part behind me, I'm ready for the good stuff.

DHA's proposal to take over and renovate Ridgecrest Terrace stinks. In spite of that, the deal is getting a full-court press from City Manager T.C. Broadnax and Dallas Housing Director David Noguera.

The stinking isn't just my opinion. Far from it. Top members of the career staff just below Broadnax and Noguera have warned them in strong terms to drop this sack of woe.

In an email sent Sept. 2 to both Broadnax and Noguera, two assistant housing directors just under Noguera warned that Broadnax and Noguera were making a big mistake with their decision to present the Ridgecrest deal to the City Council. Assistant Housing Director Avis F. Chaisson and Interim Assistant Director Maureen Milligan sent their superiors a co-signed memo:

“The decision reeks of the choices made under the previous housing administration,” they said, “which included bowing to pressure and providing flawed and incoherent strategies that lead to a perceived lack of credibility.

“The administration has worked tirelessly to buck this trend, and we should not slip backwards due to the pressure of one.”

Chaisson and Milligan say in their memo that a presentation Noguera has prepared for the City Council will give the council the dishonest impression that the Ridgecrest idea is coming from the city’s Housing Policy Task Force, a citizen advisory panel:

“This is simply untrue,” the two assistant directors warn, “and could destroy the relationships our department has begun to build with a diverse group of individuals, including tenant advocates, nonprofit developers, legal aid attorneys, as well as for-profit developers.”

For Broadnax and Noguera, it’s a blistering attack from their own staff. Chaisson and Milligan are not protected by civil service, but one can’t help wondering if this kind of resistance from below had anything to do with Broadnax’s unsuccessful attempt last week to persuade the council to strip the entire housing department of civil service protection.

The day before I wrote my piece last week, I wrote to DHA President and CEO Troy Broussard, who has always been open to my questions in the past. In fact, he and I just met recently about some other DHA issues that were then not yet related to this story.



My note to him was a general heads-up that I was writing about DHA and needed his help on some questions, not all of which did I list in my note.

I stated my deadline. One day might seem like a short leash to you. It is. I was not able to get to this story earlier, because it did not come to me earlier. There were reasons it needed to get done when it needed to get done. Welcome to the world of news – not a place I can recommend as a vacation spot.

This time Broussard did not respond. Instead I heard from a public relations person, Jacqueline Chen. She wrote: “I received your inquiry below. There is a clear misunderstanding of how the housing choice voucher program works vs. development or rehabilitation of existing affordable housing.

“We will provide you with a response in a timely manner, but not likely today. I would advise an article misrepresenting the facts not be published in haste. Talk soon.”

At the end of the week I still had not received her promised “talk soon” response, but she did discuss the issue on social media, and maybe these days that's a response.



City Council Member Scott Griggs is asking why the Dallas Housing Authority would not use new-found money to meet its prior obligations.

[dallascityhall.com](http://dallascityhall.com)

In fact, Chen and Broussard both were not answering – note, I am not saying “ducking,” just not answering – a central question in the piece I wanted to write last week. It seemed to me that DHA was expending a lot of time and energy to get a highly unorthodox deal done at Ridgecrest, one in which DHA would play a role more like a private developer than a public housing agency, when I knew that DHA was effectively defaulting on another deal it had made some time earlier.

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**“Will the Steele Properties DHA joint venture deconcentrate low income housing at Ridgecrest terrace Apartments by renovating the property to be a mixed income property with some market rate tenants?” - Scott Griggs**

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That deal was what Broussard and I had discussed some weeks earlier at his offices. DHA had promised to deliver a large number of federal housing assistance vouchers to a project under development in northwest Dallas by Catholic Charities of Dallas, called the St. Jude Center Senior Housing for Homeless.

The development deal there assumed DHA was going to come across with vouchers to fund the ongoing budget for the place. But DHA backed out belatedly, claiming an unforeseen budget crisis. DHA basically told Catholic Charities to go try their luck at City Hall for money.

So my question this week to Broussard, had we been able to talk, was going to be this: You guys are working really hard to get new federal money into your bank account for Ridgecrest, which, by the way, meets none of the new requirements for pushing assisted housing out of bad areas with high crime and compacted poverty. In fact, Ridgecrest is so big, it is the bad area.

Why not devote some of this same energy to St. Jude? You're flaking on a commitment there already. Why not spend all this time keeping the promises you have already made?

I agreed to drop this issue from the piece I was writing until I heard back from Chen on it definitively, but I did not agree not to write. We really just don't do that in our business.

In her responses on social media, Chen waltzed around what I assume is the real answer to the question I just asked theoretically here (since I haven't been able to put it to Broussard in person): DHA stands to make what I have been told is around \$7 million in development and bond syndication fees from the Ridgecrest deal.

After my piece ran, Chen said online that the development fee won't come to \$7 million. Yeah. I said development *and* bond syndication.

Chen also said that whatever money they do make will go back into the fine work they do. Great. That's what I do with my money, too. I put it in my pocket. But Dallas City Council member Scott Griggs is asking them (see below) why they can't take some of that money and give it to St. Jude. If they're going to get rich, they might as well use some of the loot to meet their obligations.

Money from HUD that winds up being used for housing assistance is always funneled through an intermediary agency. I misunderstood – and Griggs misread and the City Attorney misread – an 800-page application DHA had filed for federal funds to redo Ridgecrest.

I thought DHA had been running a federal housing voucher program at Ridgecrest called the Housing Assistance Program or HAP. They had not. The Austin outfit was doing that, and they were the ones responsible for standards (not) being met. By the way, Ridgecrest has been redone before with federal money. The redo lasted maybe five years before it became a hell-hole again.

As part of its proposal, DHA wants the HAP program at Ridgecrest, the voucher money, reassigned to DHA. But that has not yet happened. In a letter to Broussard at the end of last week (see below), Griggs said first and foremost that he also got it wrong on DHA's past role at Ridgecrest. He's not ducking that. Neither am I.

But Griggs asks Broussard the same question I had tried on him earlier in the week and got no answer to. If I may paraphrase him, Griggs says basically, Dude if you want the city to help you score something like seven million bucks, how about using some of that to do things that will support the desegregation goals in the city's new housing policy instead of defying them?

"Will the Steele Properties DHA joint venture," Griggs asks Broussard, "de-concentrate low income housing at Ridgecrest Terrace Apartments by renovating the property to be a mixed income property with some market rate tenants?"

"Will the Steele Properties/DHA joint venture advocate to amend the HAP contract to allow a portion of the tenants to live in a higher opportunity area like St. Jude or other location?"

The fact remains that the Ridgecrest deal is flaky on a number of fronts. It flies in the face of all of the new housing policies put in place recently by the Dallas City Council. It defies the out-of-court settlement the city came to with HUD some years ago over matters brought to HUD's attention in the Lockey and MacKenzie litigation accusing Dallas of illegally increasing racial segregation in housing.

In fact Ridgecrest is exactly what we're not supposed to be doing under federal law or according to past promises or under the city's own new housing policy. We're supposed to use federal desegregation money to move people out of poor segregated areas, not lock them into them.

That's not an excuse for my getting an important fact wrong or for leveling an unfair accusation against DHA. For that, I apologize. But I also think I may be the least important element in this sordid saga.

**[ Please read web version for embedded content ]**

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No one is coming to rescue the residents of Ridgecrest Terrace. That's the infamously dangerous, dilapidated Oak Cliff apartment complex being sued by the city -- again. A place where there's a waiting list 50-deep of people desperate for federally subsidized roofs over their heads -- even if they leak.

For two days this week, dozens of Ridgecrest residents came to City Hall in buses provided by Denver's Steele Properties, which said would buy and rehab Ridgecrest using low-income housing tax credits if the city endorsed its application sitting with the state. The tenants were dressed in neon-bright T-shirts that said "FIX MY HOME" on the front, "Steele Properties" on the back.

Residents stuffed into the sprawling, crime-ridden housing project spread over 16 acres begged the council to support their would-be "saviors" from the Rocky Mountains. They tried to keep their little babies from crying. They wandered the halls, edgy and impatient. They cried.

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COMMENTARY

**Why Dallas City Hall, a developer and the feds are so interested in a 'crime-in**

Around the horseshoe there was much hand-wringing and soul-searching about helping "the poorest of the poor" and "solving our overarching problem, this racial segregation." Council members said they wanted to help these people, because these public servants are, by and large, decent.

Steele wasn't asking for a penny from the city to buy the complex from its current New Jersey owners, who are being sued by the city. It just needed a resolution of no objection from the city, which it could send to the state to secure low-income housing tax credits and tax-exempt bonds with which to finance the project.

But the council said, unanimously, it could not provide such a resolution.

That is because Dallas' new housing policy demands this city "overcome patterns of segregation and concentrations of poverty" that City Hall has allowed and endorsed since time immemorial. The policy wants instead mixed-income communities, not places where tenants need vouchers to make rent. And Ridgecrest -- built in 1969, its 250 units filled with men and women and lots of little kids subsidized by the U.S. Department of Housing and Urban Development -- is the very kind of place the policy is meant to erase.





Norris Criddle, left, and Brandon Washington chat as they walk past the laundry room at the Ridgecrest Terrace Apartments in Dallas on October 11. (Shaban Athuman/Staff Photographer)

Which is nice, in theory. But there is no money behind the housing policy. And Ridgecrest is not going anywhere. Neither are its residents. Because they have no place to go.

"This whole conversation has been a conversation between the heart and the brain," said North Dallas' City Councilman Lee Kleinman on Wednesday. "You want to do the right thing by some people, or do you want to do the right thing long-term by the city's policy?"

The best the council could come up with were a bunch of what-ifs, how-abouts, we-oughtas. As in: What if we could find somewhere else for these folks to live? How about we use \$1 million in emergency relocation money to fund our own vouchers? We oughta call HUD and get the feds to issue new vouchers for those tenants tied to Ridgecrest.

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Fine ideas all. But not solutions -- not real ones. The city manager said so; the housing policy, too.



COMMENTARY

**Check out past projects and you see why fixing the Ridgecrest apartments is**

There are simply no other places for these residents to move. The housing policy clearly states: "There is a housing shortage of 20,000 units in Dallas driven by land and development costs; construction costs, including labor and materials shortages; rent growth; the effects of federal, state and local regulation."

The \$1 million set aside for rental assistance, in the wake of the West Dallas evictions last year, is down to \$700,000, according to David Noguera, director of Housing and Neighborhood Revitalization. At best, said City Manager T.C. Broadnax, that will only cover, what, maybe a few months' worth of rent for the people living at Ridgecrest? Then what?

And that's just one complex. It doesn't include Treymore Eastfield Apartments along John West Road, whose would-be buyer's request for support was also shot down, or the dozens of other run-down, low-income complexes scattered across the city.



Shalay Pea, resident of Ridgecrest Terrace Apartments, kisses her 2-month-old daughter, Tyneisha, as she listens to members of the City Council debate the future of Ridgecrest Terrace on Wednesday. (Shaban Athuman/Staff Photographer)

"When you look across this city ... you can multiply that by 10, 20, 30 similarly situated properties," Broadnax said. "The city does not have enough resources, and HUD does not have enough resources to address it."

Broadnax said he would call HUD and ask them to transfer Ridgecrest's vouchers to other facilities. But that, he said, "is not something that will happen in the immediate term." He said he would initiate more code crackdowns, which so far have had little impact. He said he would try anything, everything.

But for now, the Ridgecrest residents are left with nothing except a "high-crime property plagued" with code and fire violations, per the city's latest lawsuit. Steele's chief investment officer, David Asarch, said later that without council support, a purchase is now unlikely.

"And it's upsetting," he said, "because to turn your backs on those people is a fair housing violation."



COMMENTARY

**In unaffordable, inequitable Dallas, a housing policy — finally! — meant to rig**

As Wednesday wound down and the skyline was swallowed by low clouds and giant raindrops pelted the windows, the few remaining tenants began ambling out to the Flag Room outside council chambers. They could tell the council wasn't going to budge; they knew it was over.

Tyrone Powell, a 27-year-old who has lived at Ridgecrest for five years, said he could hear where the council was coming from. Yes, he said, it would be nice "if the landlord would get off his ass to see how we're living and he could help out." But that didn't happen yesterday, so why should he expect tomorrow to be any different?

"The landlord isn't doing anything," he said. "And everybody's running wild."

The New Jersey owners say they've sunk \$300,000 into the complex in just the last year -- although you'd be hard-pressed to tell by looking. Steele is promising \$50,000 worth of upgrades per unit. And now they're not coming.



Two buses full of people wearing Steele Properties shirts went to Dallas City Hall on Monday. (Carly Geraci/Staff Photographer)

Sherese Booker brought her 4-month-old son to City Hall. The 38-year-old watched the big-screen TV in the Flag Room, hoping for a thumbs-up from the council that never came.

"It was a chance to make the apartment better," she said. Her baby began crying.

Powell and Booker had to catch the bus back to Ridgcrest. Booker took one look back at the TV. The council meeting was still going.

"What's wrong with newer stuff?" he said, his tone more hushed than angry. "They have it," he said, pointing at the TV, the council.

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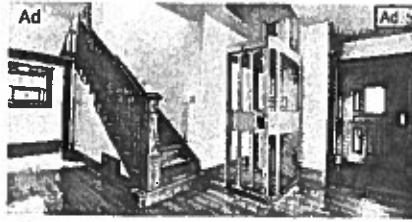
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Dallas City Council member Casey Thomas wanted to help those in need. So did everybody else.

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## Heartstrings and Purse Strings Tugged in Tough Council Debate on Housing the Poor

JIM SCHUTZE | NOVEMBER 1, 2018 | 4:00AM

A lot of the time, probably too much, we talk about the Dallas City Council strictly in terms of the four horsemen of the apocalypse, death, famine, war and conquest. There's more to it than those four guys.

A recent debate about a run-down apartment complex in far West Dallas illustrated what is probably a much more important theme on a day-to-day basis – the sheer difficulty and pain of making decisions about people's lives.

In fact, if we were to look closely at the Oct. 24 council debate on Ridgecrest Apartments, most of us would come away just being really glad we're not on the council. How would you or I like having to tell a weeping mother and her baby to take a hike – and that's the right thing to do?

Most of us would be sitting there saying, "Wait, no, where is the part where I get to be the hero?" Maybe nowhere.

Ridgecrest, a 250-unit complex about a mile east of Mountain Creek Lake, is so soaked in crime and decay that the city is suing the owners under the city's nuisance abatement ordinance. But, look, when you hear those words, crime and decay, you can get a wrong or insufficient picture of the place in your head. It doesn't mean all of the people in the complex are criminals.

At Ridgecrest, as at hundreds of apartment complexes just like it across the city, struggling families with children are trying to eke out lives on what little they can afford. Often they are single mothers with incomes of paupers, striving to feed and protect young children while battling the other monsters of poverty, bad health and danger from human predators. And losing the battle.

Of the parade of beset mothers who appealed to the council at its hearing on Ridgecrest, the most affecting was Patricia Baghboud, who wept openly and had to be steadied by another woman who stood at her side:

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**"We did not ask to live in poverty. This is where we lay our head at night, with our kids and our grandkids. You all do not know what it's like to live in poverty." - Patricia Baghboud**

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“We did not ask to live in poverty,” she said, sobbing. “This is where we lay our head at night, with our kids and our grandkids. You all do not know what it’s like to live in poverty. You don’t know what it’s like to live in apartments like this. I speak to you all and hope you will take in consideration today to not shut us down.”

The question before the council was whether to pull apart a citywide housing policy that the council and staff just spent two years of agony crafting. The request to butcher the brand-new policy came from a developer who needed an exception in order to acquire federal subsidy money to renovate Ridgecrest.

The history at Ridgecrest is long and horrible, replete with earlier renovation projects, lots of promises, a dismal, seemingly inescapable tendency to go right back to those four guys I mentioned at the top. The purpose of the city’s new policy is to turn that long, awful history around.

Councilman Lee Kleinman pointed out one of the serious technical problems in the city’s approach to low-income housing before the new policy was adopted: In order to get federal money for a rehab project – appliances, countertops, carpet and paint – that might last two years under harsh use, the city has had to agree to deed restrictions locking in low-income rent levels for 15 years.

The rehab wears out. Conditions return to terrible. There is no money for another rehab. There is no incentive for anybody else to buy the place and fix it up, because the low rent levels are locked in by deed restriction for 13 more years. So the place just goes straight to hell again.

Kleinman said pumping new money under the old policies into places like Ridgecrest would be “perpetuating this cycle of bad properties and bad living conditions.”

He said of the current owners of Ridgecrest, “They have a prosecution case against them, and now they are asking us to approve someone else to fix the problems that the old owner created.

“Preserving the existing conditions, I don’t find that palatable and I certainly don’t find that compatible with our housing policy.”

Council member Scott Griggs pointed to what is probably an even more salient problem with putting more money into Ridgecrest: The city is under a legal compulsion from the U.S. Department of Housing and Urban Development (HUD) and from federal courts to stop putting money into projects that perpetuate racial segregation and concentration of poverty.

Griggs asked city staff at the meeting if putting resources into Ridgecrest and another project also under consideration would comply with federal law, and he was told it would not.



Dallas City Manager T.C. Broadnax had to be the grown-up in the room. (His suit looked a lot better than that. This image is distorted by the video from which it was captured.)

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“We are left with a legal issue, which is the fair housing issue,” he said. “We have an opinion from our city staff that I presume our city attorney has looked at also, that addresses a legal issue, not a policy issue, being whether or not these projects are in compliance with fair housing law and whether or not they affirmatively further fair housing.

“In the professional opinion of our city staff, the answer to that question is they do not.”

One response to the whole question, from council member Kevin Felder, was predictably cuckoo. Felder gave his version of an impassioned speech, saying he wanted the city to fix everything for everybody. He told City Manager T.C. Broadnax that the debate itself was creating uncertainty for the residents of Ridgecrest:

“This is compounding their condition, not knowing what is going to happen,” Felder said. “That is unconscionable.”

“I am not blaming you,” he told Broadnax, “but I want you to hear what I am saying and craft some sort of immediate plan, some sort of contingency plan, to make sure they are protected in some sort of way, because these are the least of these. It should be in everyone’s heart to protect the least of these.”

Sure. Absolutely. And if the city manager had a magic wand in his coat pocket, why hadn’t he taken it out at the beginning of the meeting and saved everybody a lot of talk?

It was Broadnax’s role to talk to Felder and the rest of the council about scarce resources: “I know we’re talking about Ridgecrest today,” he said, “but you can multiply that by 10, 20, 30 similarly situated properties.

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**"It impacts me and it hurts me personally to see someone standing here at the podium who is not a professional speaker but speaks from passion." - Casey Thomas**

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"The city does not have enough resources, and HUD does not have enough resources to address it."

Broadnax said that at some point the city is not doing the responsible thing by stepping in, making promises it cannot keep and lifting responsibilities from shoulders of the people who ought properly to bear them.

"I think the fundamental thing we are glaringly omitting here is that the property owners have a fundamental responsibility to repair and invest in their properties and ensure that people have safe living conditions," Broadnax told the council.

"We should not bail out this landlord by us trying to be a savior and perpetuating what we believe are historically segregated communities."

But in all of it, the person whose words pained my own heart more than any other, even more than Patricia Baghboud, was council member Casey Thomas. With the catch of emotion in his voice, Thomas said, "To avoid violating our own policy, we have to say, 'No, we can't help you?' That's a problem with me. That's very bothersome as someone who didn't get in this job because I have political aspirations.

"I got in this job because I wanted to be able to help people," Thomas said. "I wanted to be able to make people's lives better. They want to have a better quality of life. It impacts me and it hurts me personally to see someone standing here at the podium who is not a professional speaker but speaks from passion."



There is a thing I know from watching meetings like these my entire life, a thing that almost never finds its way into the day-to-day, who's-on-first, he-said-she-said coverage of local politics. When Thomas says he got into it to help people, he's probably speaking the God's truth, and he probably speaks for all of them. If anything, the special genius of our American political system is that it recruits people to it who have a passion for making other people's lives better.

Oh, sure, many a slip twixt the cup and the lip, feet of clay, Dwaine Caraway, the whole nine yards, and that's mainly what we tell you about. But the inner light guiding the lot of them is a collective will to be the few who come to the rescue of the many.

That's what Kleinman was talking about. It's what Griggs meant. Broadnax is a very controlled personality, but you could hear passion in his voice, too. Felder I need a rain check on.

And Thomas. Maybe I'm projecting, but I thought I heard a weeping in his voice that sang directly to the weeping in the voice of that mother. She stood before them all and wept for her child, wept for her poverty, wept for her plea.

The motion to amend the new housing policy and allow the rehab deal at Ridgecrest was defeated by one vote. The City Council said no to the parade of poor mothers who had begged for a dispensation. It said no to them in order to say yes to an even greater multitude of people unseen in the wings of time, also suffering.

That's why I'm glad I just have to write about this stuff. If you put me behind that dais and told me I actually had to do it, I think I'd change my name and move to Ohio at midnight.

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