



**City of Dallas**

# **One Dallas Options: Expansion of Mixed Income Housing Development Bonus**

**Zoning Ordinance  
Advisory Committee (ZOAC)  
November 18, 2021**

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# Request



- Consideration of amending the Dallas Development Code Chapter 51A-4.1100 Mixed Income Housing, to support and align with the One Dallas Options Program within the City of Dallas Comprehensive Housing Policy.



# Presentation Overview



- Background
  - Equity context
  - MHDB program and production
- Proposed - One Dallas Options
  - Overview
  - Regulatory, administrative, and financial incentives
  - Options for compliance
  - One Dallas Fund
- Current Housing development pipeline
- Proposed – additional amendments
- Next Steps



# Background



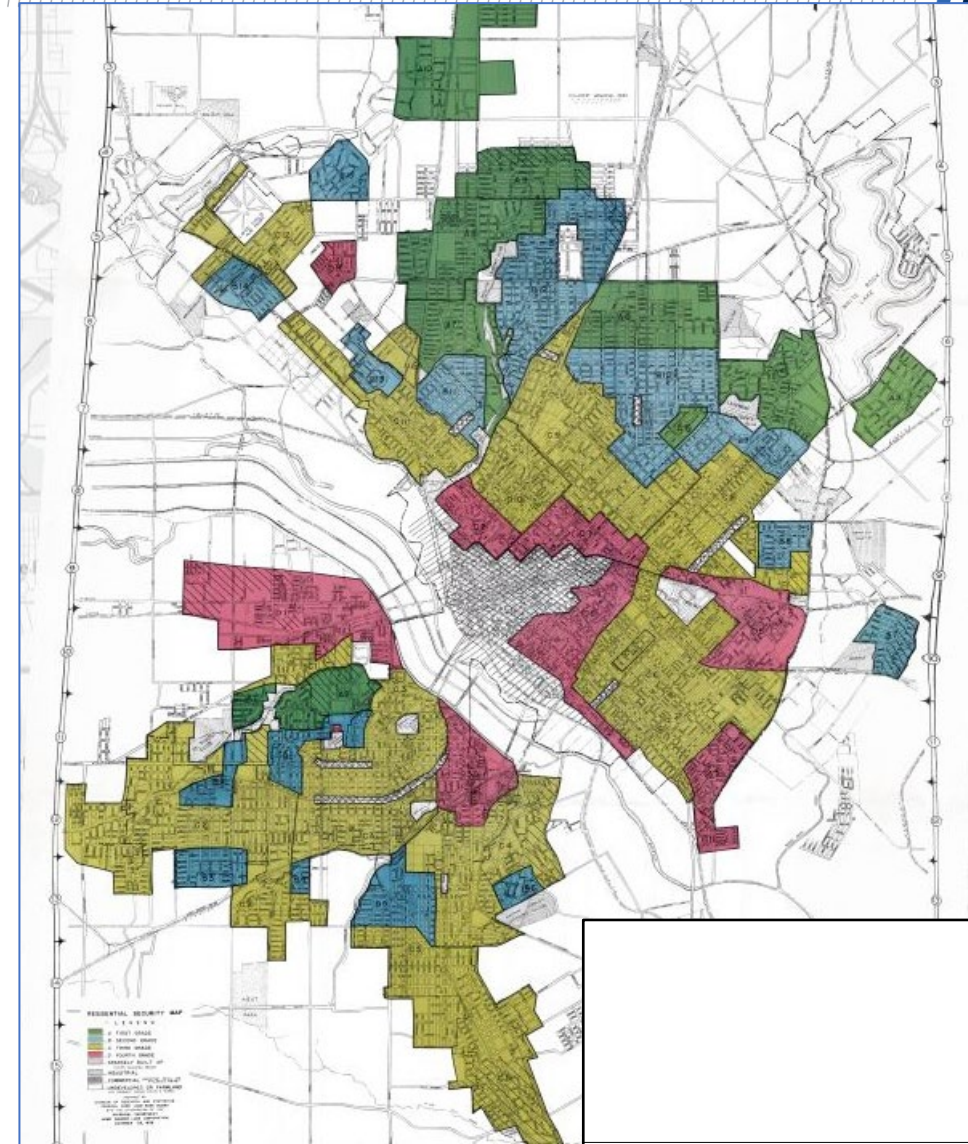
- Proposed amendments to Chapter 51A are part of a larger initiative supported by the City Manager to create a program called One Dallas Options.
  - Expands existing Mixed Income Housing Development Bonus (MIHDB) program.
  - Includes additional flexibility
- Council will review proposed changes to Ch. 51A, Ch. 20A, Ch. 52, and the Comprehensive Housing Policy (CHP) tentatively in February



# Background - Equity Context



- In 1937, the Home Owners' Loan Corporation drew maps to show residential "mortgage security."
- HOLC coded the maps largely along racial, ethnic, and religious lines.
- In areas deemed "hazardous," the federal government would not insure loans.
- This is the legacy the City seeks to undo in its housing programs.



# Background - Current MIHDB Program



- **Purpose** – Create mixed income development by providing zoning bonuses for multifamily developers in exchange for on-site housing for households at 51-100% AMFI *and voucher holders*
- Intended to incentivize additional mixed-income development without requiring additional financial incentives.
- State law requires the program to be voluntary
- Two tracks:
  - By-right bonus in multifamily and mixed use districts
  - Base plus bonus structure in planned development districts (PDs)



# Background - Current MIHDB in 51A



- Ch. 51A MIHDB language regulates the built environment
  - Development bonuses in MF and MU districts
  - Development bonus period
  - Details regarding permit process, phasing, COs
  - Development requirements (unit mix, finish out, etc.)
  - Design requirements (pedestrian amenities, fencing, parking locations, doors and windows facing the street, etc.)



# Background - Current MIHDB in 20A-II



- Ch. 20A regulates fair housing (people)
- Ch. 20A-II regulates the people portion of MIHDB:
  - Definitions related to income, rent, area median family income, eligible households, voucher requirements, references to federal documents, etc.
  - Procedures related to the restrictive covenant
  - Procedures related to eligibility determination, wait lists, over/under occupancy, income limits, affordable rents, tenant selection, etc.





# Background - Current MIHDB in CHP



- Comprehensive Housing Policy (CHP) catalogues most of the City's housing policies and programs
  - MIHDB section of CHP
    - Points to Ch. 51A and Ch. 20A regulations
    - Outlines implementation, operations, and compliance procedures



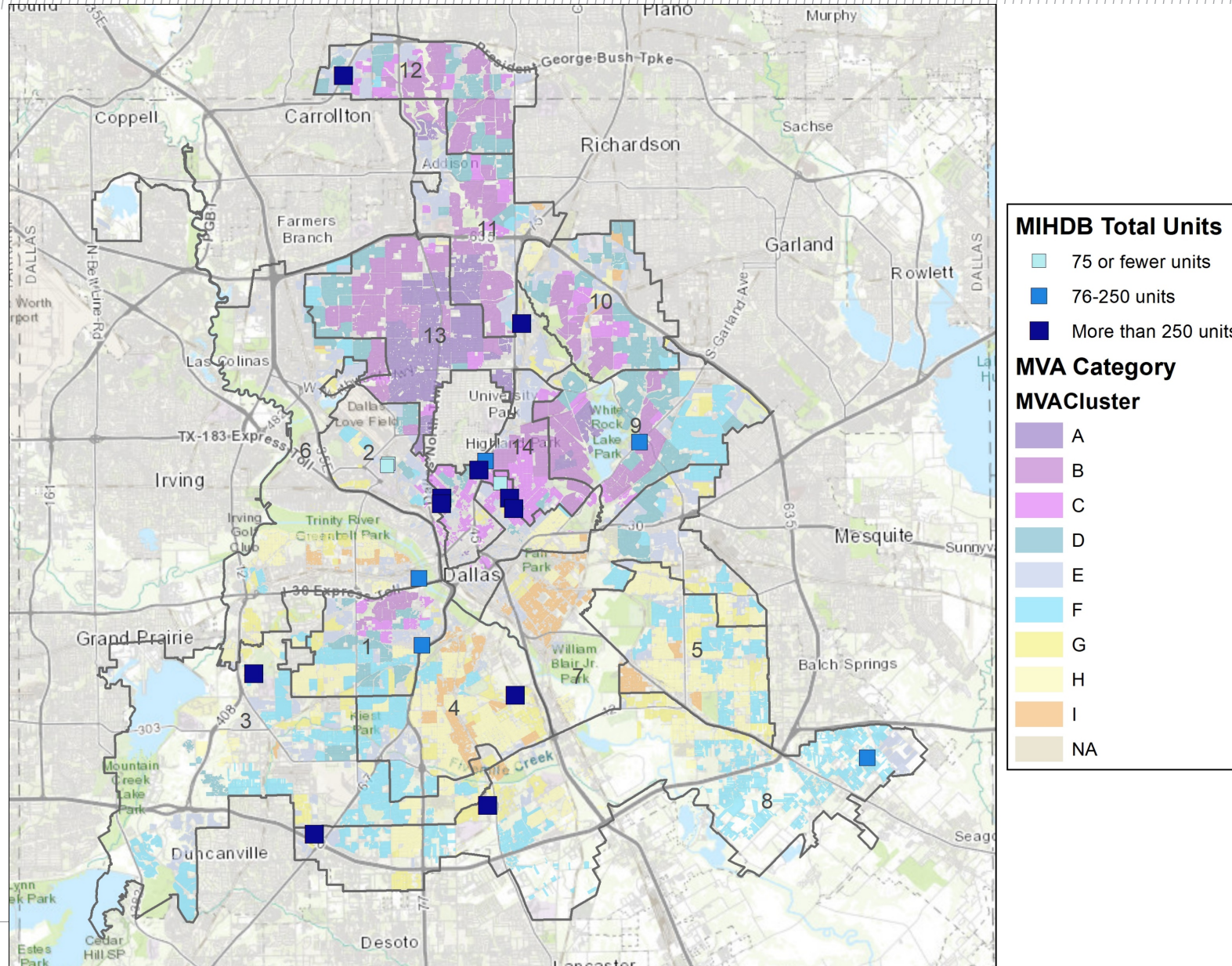
# Background – MIHDB Project Pipeline



- Under construction
  - 7 communities, total of 1,673 units (104 reserved)
- Pre-development
  - 8 communities, total of 1,707 units (124 reserved)
- Zoning
  - 16 zoning cases approved recently and expected to use the bonus in the near future
- By-right
  - 5 communities, total of 1,238 units (712 total affordable)



# Background – MIHDB Project Pipeline



# Proposed – MIHDB Amendments



- Minor clarifications to the zoning language (Ch. 51A) regarding
  - Parking (1.25 per unit, or per code, whichever is less)
  - Deed restrictions (MF and MU districts with deed restrictions can participate but must follow the stricter requirement)
  - Fractions of a required unit must be rounded up
  - Transit proximity is measured radially
  - Developments must certify that they are registered as a vendor with a voucher provider



# Proposed – One Dallas Options Overview



- One Dallas Options builds on the success of the MIHDB by offering additional flexibility
  - Menu of bonus options for new and amended PDs (Type 3 developments)
  - Additional process and financial benefits
    - Faster permit review and gap financing
  - Additional methods to meet the reserved unit requirements, including paying a fee in lieu or dedicating land
  - Fee to be deposited into a new One Dallas Fund



# Proposed – One Dallas Options (51A)



- Current MIHDB (Type 1 and 2):
  - By-right bonuses in MF and MU districts
  - Specific bonuses in PDs
- One Dallas additions (Type 3):
  - Menu of bonus options in new and amended PDs
  - Additional density, floor area ratio, height, and stories
  - Parking reduction (except for bars, restaurants, and commercial amusement)
  - Larger bonuses for lower income bands and for development in weaker housing markets
  - 5% reserved unit requirement for bonus



# Proposed – One Dallas Options (51A)



	MVA Category	Tier 1 (≤ 50% of AMFI)	Tier 2 (51 – 80% of AMFI)	Tier 3 (81 – 100% of AMFI)
Density Bonus	MVA A – F	20%	10%	5%
	MVA G - I	40%	30%	20%
FAR Bonus	MVA A – F	1.5	1	0.5
	MVA G - I	2.5	2	1
Height Stories	MVA A – F	25%	15%	5%
	MVA G - I	45%	35%	20%
Parking Reduction	MVA A – F	100%	50%	20%
	MVA G - I	100%	70%	40%

# Proposed – One Dallas Options (20A/CHP)



- Additional pathways for compliance
  - On-site provision of reserved dwelling units
  - Fee in lieu of on-site provision
    - Fee to be set high enough to preference on-site provision
  - Land dedication
- Additional incentives
  - Faster development review
  - Financial incentives for on-site provision





# Proposed – Additional Amendments 20A



- Strengthen language in Chapter 20A – Fair Housing. Multifamily managers shall:
  - Prioritize holders of housing vouchers for occupancy of reserved units
  - Register as a vendor with one or more local providers of housing vouchers
  - Actively market to holders of housing vouchers through their affirmative fair housing marketing plan



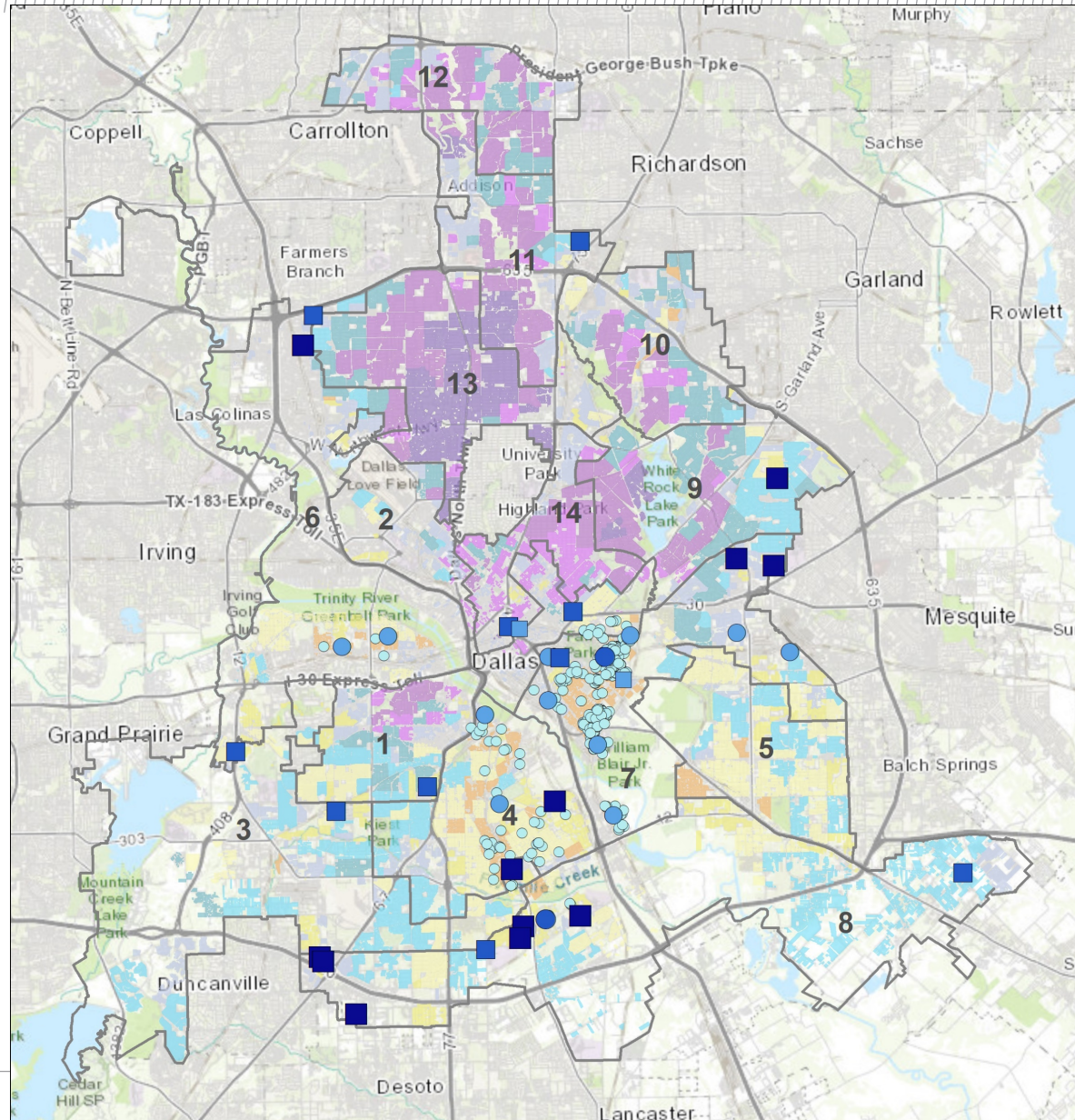
# Proposed – One Dallas Fund Uses (CHP)



- Fees collected through fee in lieu to be deposited into new One Dallas Fund
- Fund uses
  - Create/preserve reserved dwelling units and increase affordability in MVA Categories A, B, and C and rapidly gentrifying D, E, and F
  - Support equitable revitalization in D through I
    - Incentivize new market-rate units in mixed income communities
    - Renovate existing affordable units
    - Build new neighborhood infrastructure
  - Expand programs in the CHP, including homeownership opportunities
  - Administration
- Funding awarded through existing development funding application processes (grant or loan depending on underwriting)



# Current Development – Housing Funds



**Multifamily Development**

- 75 or fewer units
- 76-250 units
- Greater than 250 units

**Single-Family Development**

- 1 home
- 75 or fewer homes
- Greater than 75 homes

**Market Value Analysis**

- A
- B
- C
- D
- E
- F
- G
- H
- I
- NA



# New – One Dallas Options (51A)



- Potential additional amendment to Ch. 51A regarding design standards:
  - Type 3 developments may deviate from Sec. 51A-4.1107 **if**:
    - The PD requires a development plan and a landscape plan AND
    - Those plans meet or exceed the requirements in Sec. 51A-4.1107
- Sec. 51A-4.1106 is proposed to refer directly to Ch. 20A-II and the CHP directly without specifying the additional incentives



# Future Expansion of One Dallas Options



- Potential items on the 2022 work plan:
  - Voluntary bonus fee for commercial properties to support affordable housing needs generated by the use
  - Bonuses related to single family and other for-sale residential uses
  - Bonuses for additional green elements included in the development



# Next Steps – Tentative Schedule



- November 18 – ZOAC today
- December 2 – no ZOAC meeting (Hanukkah)
- December 14 – briefing - Housing and Homelessness Solutions Committee of the City Council
- December 16 – ZOAC (potential recommendation to CPC)
- January 6 – CPC (briefing)
- January 20 – CPC (potential recommendation to Council)
- January 24 – HHS briefing with action
- February 23, 2022 – potential Council consideration and action





- Chapter 51A – Multifamily districts:
  - [https://codelibrary.amlegal.com/codes/dallas/latest/dallas\\_tx/0-0-0-29133](https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-29133)
- Chapter 51A – Mixed Use districts:
  - [https://codelibrary.amlegal.com/codes/dallas/latest/dallas\\_tx/0-0-0-31477](https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-31477)
- Chapter 51A – Mixed Income Housing:
  - [https://codelibrary.amlegal.com/codes/dallas/latest/dallas\\_tx/0-0-0-60833](https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-60833)
- Chapter 20A-II:
  - [https://codelibrary.amlegal.com/codes/dallas/latest/dallas\\_tx/0-0-0-59791](https://codelibrary.amlegal.com/codes/dallas/latest/dallas_tx/0-0-0-59791)
- Comprehensive Housing Policy:
  - <https://dallascityhall.com/departments/housing-neighborhood-revitalization/Pages/Comprehensive-housing-policy-2.aspx>



# One Dallas Options



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