Memorandum

CITY OF DALLAS

DATE November 27, 2013

TO Housing Committee Members: Carolyn R. Davis (Chair), Scott Griggs (Vice-Chair), Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT **Next Step in Strategic Planning: Best Practices in Housing**

On Monday December 2, 2013, the Budget for Outcomes Team for Housing will brief you on best practices in housing. Their briefing will also cover proposed index cities and draft SWOT (Strengths, Weaknesses, Opportunities, & Threats) analysis. The briefing material is attached.

Please let me know if you have any questions.

Jill A. Jordan, P.E.
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Judge Daniel Solis, Administrative Judge
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Librio, Public Information Officer
Bernadette Mitchell, Housing/Community Services, Interim Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Next Step in Strategic Planning: Best Practices in Housing

Index Cities and Dallas SWOT

Housing Committee
December 2, 2013

Team Roster

➢ Sue Hounsel (Lead, Office of Economic Development)

➢ Nikki Dunklin (Intergovernmental Services)

➢ Robyn Gerard (City Manager's Office)

➢ Lisa Hamed (Public Works)

➢ Phillip Keaton (Aviation)

➢ Clinton Lawrence (Library)

➢ Hodges Mitchell, II (Office of Environmental Quality)

➢ Crystal Ross (Park and Recreation)

➢ Daisy Torres (Office of Financial Services)

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Purpose

- An overview of preliminary work from the Budgeting for Outcomes Economic Vibrancy Team in preparation for FY 14-15 strategies including:

  ➢ Community Survey Highlights

  ➢ Index cities

  ➢ City of Dallas – Strengths, Weaknesses, Opportunities, Threats (SWOT)

  ➢ Best practices to build on opportunities and minimize threats.

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Community Survey Highlights

- The City's 2013 Community Survey results included several positive indicators:
  - ➢ Eighty-two (82%) felt Dallas was an excellent or good place to live, work and do business. This represents an increase from the 2011 survey by place to live (+6%), work (+7%), and do business (+5%).
  - ➢ Seventy (70%) rated quality of new development as excellent or good – up +5% from the 2011 survey.
  - ➢ Sixty-nine (69%) rated their neighborhood in Dallas as an excellent or good place to live.

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Community Survey Highlights (continued)

➤ Fifty-eight (58%) rated access to affordable quality housing as excellent or good.

• Streets and infrastructure were areas that could be improved based on the survey respondents:

   ➤ Only thirty-nine (39%) rated street lighting as excellent or good.

   ➤ Only thirty-two (32%) rated maintenance of neighborhood streets as excellent or good.

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Index Cities

- The Economic Vibrancy (EV) Team reviewed the strategic planning work from various department directors on identifying index cities for Dallas to benchmark on major services impacting economic vibrancy.
- The EV team honed on a list of 5 cities that encompassed most or all of the services under economic vibrancy:
    - ➢ San Antonio
    - ➢ Houston
    - ➢ Atlanta
    - ➢ San Diego
    - ➢ Seattle

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Index Cities (continued)

- **San Antonio**
  - ➤ Population: 1,382,951
  - ➤ Metro area jobs (2012): 877,900
  - ➤ Average price of a middle-management home: $188,710

- **Houston**
  - ➤ Population 2,160,821
  - ➤ Metro area jobs (2012): 2,691,400
  - ➤ Average price of a middle-management home: $191,013

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Index Cities (continued)

- ## Atlanta
  - Population: 443,775
  - Metro area jobs (2012): 2,349,900
  - Average price of a middle-management home: $217,226
- ## San Diego
  - Population 1,338,348
  - Metro area jobs (2012): 1,258,800
  - Average price of a middle-management home: $483,419
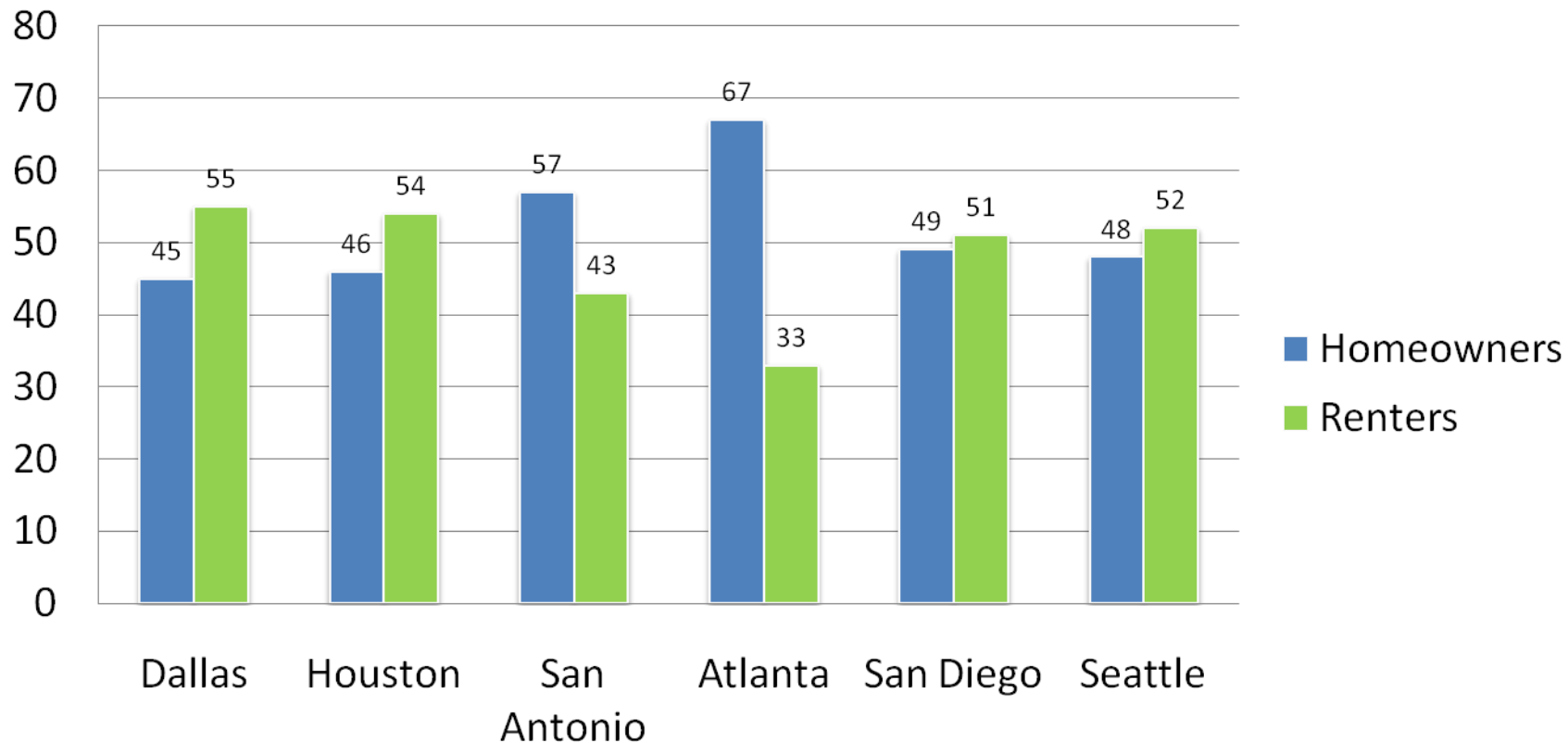- ## Seattle
  - Population 634,535
  - Metro area jobs (2012): 1,711,500
  - Average price of a middle-management home: $655,079

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Index Cities (continued)

• Dallas has an owner-occupancy rate similar to three of the index cities.

Percentage Comparison of Homeowners vs Renters

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SWOT Analysis

S
- Location, land availability
- Age of workforce
- Low cost living
- Transit infrastructure
- Arts & Culture

W
- Sprawl
- Public education

O
- Promoting diverse neighborhoods
- Transit-oriented development
- Southern Dallas land area

T
- Aging/inadequate infrastructure
- Funding

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Dallas - Strengths

- Dallas is the most centrally located major business center in North America

- DFW International Airport & Dallas Love Field combine for 7,067 weekly non-stop flights to 188 destinations on five continents.
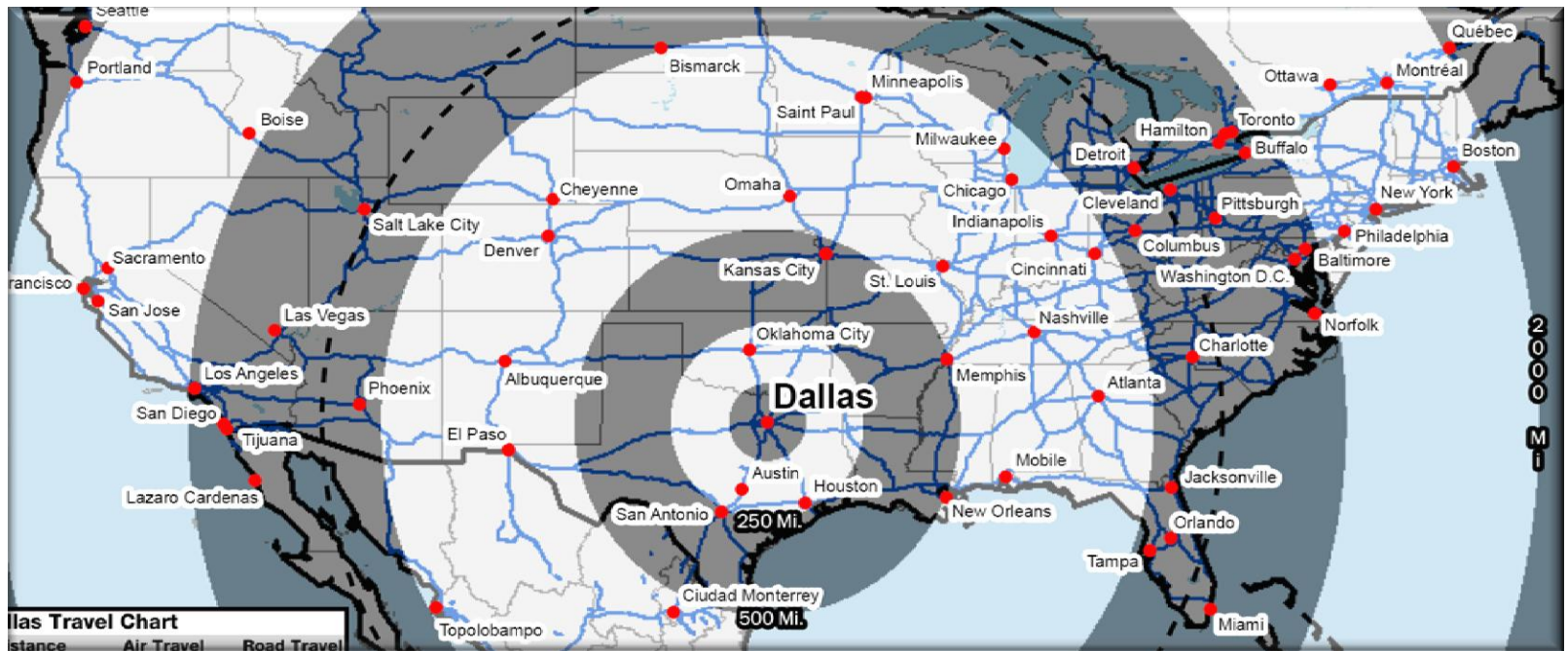
Dallas – Strengths (continued)

- Land Availability – Citywide almost 63,000 acres of land is vacant and of that 65% is in southern Dallas

City of Dallas – Vacant Land in Southern Sector

Note – includes floodplain

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Dallas – Strengths (continued)

Age of workforce –

➢ Almost 600,000 residents make up the City of Dallas' workforce. Over 30% have a college degree or higher and over 80% have at least a high school education.

Source: 2011 American Community Survey 1-Year Estimates & U.S. Census Bureau

➢ Dallas has also been ranked one of the 100 "smartest" metro area's in the U.S. The area ranked #72 based on resident's educational attainment.

Source: America's Top Rated Cities: A Statistical Handbook-2012, 9th Edition

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Dallas-Strengths (continued)

- Forbes ranks Dallas as the 17th most affordable city in America.
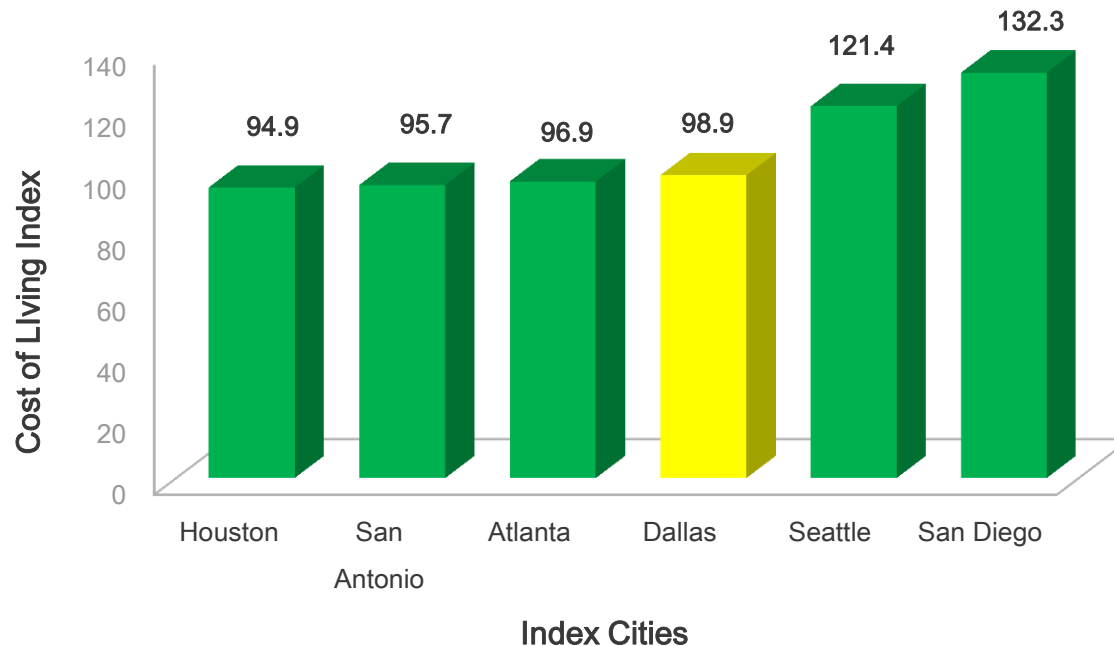
Source: census.gov, C2ER, Arlington, VA, ACCRA Cost of Living Index, Annual Average 2010

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Dallas-Strengths (continued)

- DART is the largest light rail operator in the United States, with 85 miles (136.8 km) of track

- According to NCTCOG transit statistics, DART's light rail system had a daily ridership of 109,511 average trips per weekday in October 2012 which is an increase of more than 81% since October 2010.

- Dallas has recently completed a $354M expansion of the arts district. This includes the Winspear Opera House, Wyly Theater, Performance Park, and Annette Strauss Artist Square. The arts are a significant economic generator for the City.

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Dallas – Weaknesses

Urban Sprawl

- Longer travel times and more traffic congestion
  - 2013 Vehicle Miles of Travel – 181,516,746
  - 2013 Vehicle Hours Spent in Delay (Daily) – 1,165,512

- According to the NCTCOG, congestion costs the Dallas-Fort Worth metro-plex $4.7 Billion in 2013. It is projected to increase to $10.1 Billion by 2035

2013 Congestion Index

☐	No Congestion
☐	Light Congestion
☐	Moderate Congestion
☐	Severe Congestion
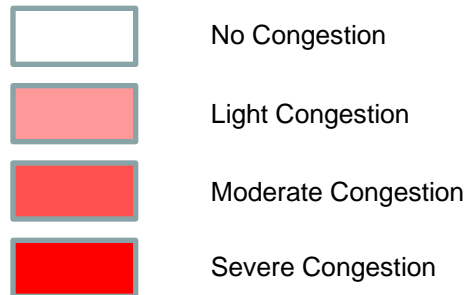
Source: North Central Texas Council of Governments

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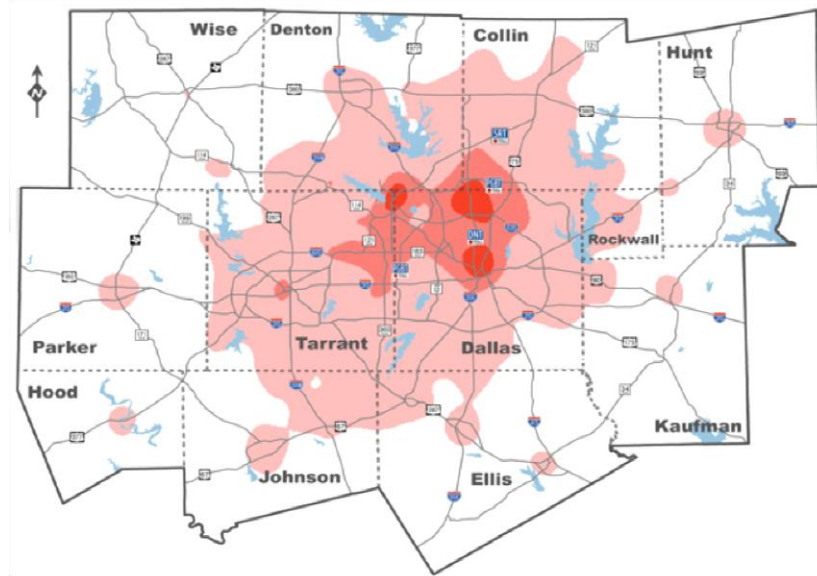
Dallas – Weaknesses (continued)

Urban Sprawl

- DFW has a population of approximately 6.5 million people

- **More than half** live outside of the city limits of both Dallas and Fort Worth
  - Plano, McKinney, Frisco and Denton are among the fastest growing cities according to the U.S. Census Bureau

- Providing quality, affordable housing for the middle class is a related issue to be addressed. Staff has begun examining neighborhoods across this city in this regard.

- Public education is a factor related to urban sprawl:
  - In the City's 2013 Community Survey only thirty-three (33%) rated public schools in Dallas excellent or good while thirty-two (32%) rating schools fair and thirty-five (35%) rated schools poor.

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Dallas – Weaknesses (continued)

Public Education

- 60% of home buyers are swayed by school district choices
  - ➤ 23.6% of buyers would pay up to 5% more than originally budget
  - ➤ 9% of buyers would pay up to 20% more than budgeted

  Source: Survey conducted by Realtor.com

- Dallas Independent School District's received a 2011 accountability rating from the Texas Education Agency of Academically Acceptable compared to
  - ➤ Neighboring Cities
    - ➤ Frisco - Exemplary
    - ➤ Plano - Recognized
    - ➤ Mesquite – Recognized
    - ➤ Cedar Hill – Recognized
    - ➤ Desoto - Academically Acceptable
    - ➤ Duncanville - Academically Acceptable
  - ➤ Index Cities in Texas
    - ➤ San Antonio – Academically Acceptable
    - ➤ Houston – Academically Acceptable

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Dallas – Weaknesses/Best Practices

Best Practice Example – San Antonio's "Brainpower Initiative"

- The City of San Antonio made improving local education and workforce development systems a key component on how to build a strong economic future

- In 2011, Mayor Castro and leaders from business and education came together to launch a "Brainpower Initiative."

  - By increasing access to early childhood education, the city plans to enhance local educational achievement and improve college attainment later in life—providing the skilled workforce that regional industry needs to thrive

Source: Enterprising Cities: A Force for American Prosperity

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Dallas – Weaknesses/Best Practices (continued)

Best Practice Example – Harlem Children's Zone

- The community based organization Harlem Children's Zone has a successful business model that is being replicated by many cities across the country.

- The Harlem Children's Zone is a unique, holistic approach to rebuilding a community so that its children can stay on track through college and go on to the job market.

- The two fundamental principles of The Zone Project are to help kids in a sustained way, starting as early in their lives as possible, and to create a critical mass of adults around them who understand what it takes to help children succeed.

Source: www.hcz.org

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Dallas – Weaknesses/Best Practices (continued)

Best Practice Example – State of Oklahoma

- In 1998, Oklahoma became the first state to have universal, publicly funded pre-kindergarten.

- The state legislature changed its school funding formula to include pre-kindergarten.

- As Alex Blumberg, This American Life producer, reports schools immediately noticed an improvement in children's school readiness along with other evidence of the benefits of high-quality early education.

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Dallas - Opportunities

- Promoting diverse neighborhoods –
  - In the City's 2013 Community Survey residents rated Dallas acceptance of people with diverse background as fifty-six (56%) excellent or good, thirty-five (35%) fair, and nine (9%) poor.

  - Young workforce is a strength that leads to opportunities to attract more businesses and residential growth to the City.

  - Promoting diverse neighborhood across income and geographic spectrums supports several Council objectives.

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Dallas – Opportunities/Best Practices

Best Practice Example – Atlanta Housing Strategy

➢ Invest Atlanta (Atlanta's Redevelopment Authority) has commissioned a citywide, comprehensive housing strategy this year.

Best Practice Example – Seattle funding sources

➢ Seattle utilizes a commercial linkage fee and a local housing trust fund as sources for housing programs.

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Opportunities/Best Practices (continued)

Best Practice Example –
Atlanta – Old Fourth Ward

➢ Historical neighborhood with the birthplace of Dr. Martin Luther King and Sweet Auburn District – Redevelopment efforts have lead to – retail development, new lofts and condos

➢ Old Fourth Ward Park and the Beltline Project meet to provide new greenspace oasis. Beltline project to improve park and transit connectivity.

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Dallas – Opportunities (continued)

- Transit-Oriented Development – to date in the City of Dallas nearly $6 billion in TOD development has been completed or is under construction. Examples include:

Cityplace area - $660 million new development completed or under construction with McKinney Avenue Trolley and DART light rail service

Lancaster Urban Village – a catalyst mixed-use development across from the VA Medical Center & DART station

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Dallas – Opportunities/Best Practices (continued)

- Creating an "Entrepreneur Village" is a business and community development tool currently being explored in Dallas and supports other areas of opportunity.

- The goal of this initiative would be to dramatically improve wealth creation, employment and innovation through a place-based microbusiness and entrepreneurship program.

- This holistic approach will also support housing and neighborhoods

- Similar programs in other cities are being examined including Chicago, Washington DC, Nashville, and Orlando

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Dallas – Opportunities/Best Practices (continued)

Village at maturity - Within fifteen years, the Village will be largely developed and a fully functioning neighborhood with residential, commercial and public facilities that continue to nurture another generation of entrepreneurs.

Residential	Retail & Business Services	Entrepreneur Office Space
College & University Programs	Community Hub	Entertainment
Corporate R&D Centers	Coworking, Accelerators & Incubators	K-12 Entrepreneurship Academy

Village overlay: High speed data, financial incentives, urban design standards

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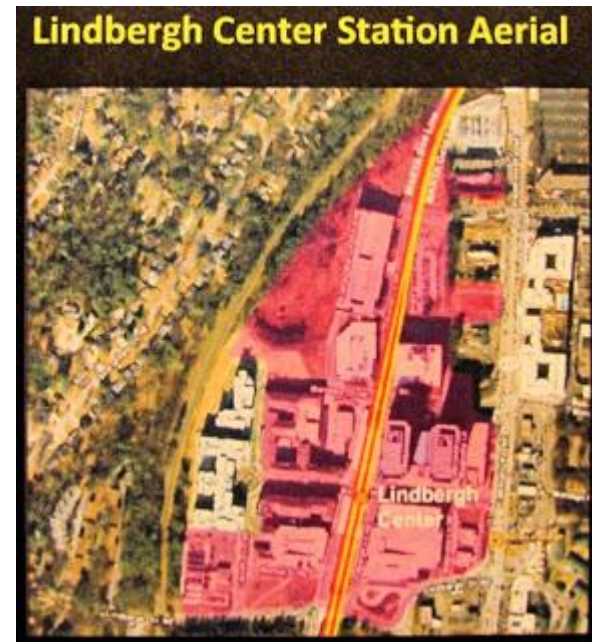
Opportunities/Best Practices (continued)

Best practice – TOD

- **Atlanta** – Lindbergh MARTA Station
  - ➢ Outstanding example of public-private collaboration
- **San Diego**
  - ➢ First in the country to adopt TOD Design Guidelines and leader in CA
  - ➢ Successfully utilizes community services organizations

Lindbergh Center Station Aerial

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Dallas - Threats

- Aging or inadequate infrastructure

- Funding (primarily related to addressing infrastructure needs).

- These issues impact housing, particularly the ability to utilize available land in southern Dallas.

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Dallas – Threats/Best Practices

Best Practice – Seattle

➢ Green Stormwater Infrastructure (GSI) – aims to address stormwater needs in a more sustainable, aesthetically pleasing and cost effective approach.

Best Practice – San Diego

➢ Just announced a five-year plan will be developed to address infrastructure backlog.

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Conclusion

- If the City of Dallas can build on its strengths, further areas of opportunity, and strategically address physical and social infrastructure needs we can advance as "a high quality, urban alternative" to our sprawling competitors.

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