

# Memorandum



CITY OF DALLAS

DATE August 26, 2016

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Mayor Pro-Tem Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT City of Dallas Housing Policies

On Monday, August 29, 2016, you will be reviewing Housing Policies and voting on them in order to move them forward for full City Council consideration. The Housing Policies summary is attached.

Please let me know if you have any questions.

A handwritten signature in blue ink, appearing to read 'Alan E. Sims'.

Alan E. Sims  
Chief of Neighborhood Plus

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, City Manager  
Rosa A. Rios, City Secretary  
Christopher D. Bowers, Interim City Attorney  
Craig Kinton, City Auditor  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Jill A. Jordan, P. E., Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# CITY OF DALLAS HOUSING POLICIES

## BACKGROUND

The City of Dallas believes that every resident has the right to safe, decent, affordable, and fair housing, regardless of their race, color, national origin, religion, sex, sexual orientation, disability, familial status, or source of income. The City also recognizes that minority and disabled citizens make up a disproportionate number of the City's residents living in poverty, and that racially and ethnically concentrated areas of poverty are harmful to the City of Dallas as a whole.

In support of its citizens, and in compliance with HUD's recently issued *Affirmatively Furthering Fair Housing Final Rule*, the City supports the following policies. This document is not intended as a comprehensive housing policy. Rather, this document will serve as a framework for the creation of a comprehensive housing policy that will include the foundational elements enumerated below along with a number of additional components also described in this document. Many of the foundational elements and components require further consideration by the Housing Committee and City Council. A comprehensive housing policy will be finalized and adopted by December 31, 2016, after consideration and action on all individual elements and after all components have been incorporated within the comprehensive framework. The goal of a comprehensive policy will be to: 1. create and maintain available and affordable housing throughout Dallas, 2. promote greater fair housing choices, and 3. overcome patterns of segregation and concentrations of poverty.

The foundational elements of the policy document of the City of Dallas include;

### **1. Support all ownership housing opportunities throughout Dallas**

- Committee Briefing in November and December 2015
- Committee Forwarded to City Council in December 2015
- City Council Adopted in January 2016

As Adopted by Council:

The City recognizes that ownership builds wealth, stabilizes neighborhoods, and provides opportunities for greater housing choices. Therefore, the City will invest in creating ownership housing in all areas of Dallas.

### **2. Source of Income Ordinance (Chapter 20A)**

- Committee Briefing in January and May 2016
- Committee Forwarded to City Council in June 2016
- City Council Deferred Item June 2016

Committee Recommendation:

As a first alternative for Council consideration, a proposed amendment to Chapter 20A would prohibit discrimination on the basis of any lawful, regular, verifiable source of income.

Alternative Committee Recommendation:

As a second alternative for Council consideration, a proposed amendment to Chapter 20A would prohibit discrimination on the basis of any lawful, regular, verifiable income, except as prohibited by state law. As permitted by state law, the second alternative ordinance would require that residential developments receiving city subsidy or increases in zoning density or floor area ratio refrain from source of income discrimination, including Housing Choice Vouchers and other housing subsidies. Finally, the second alternative ordinance adds a new “safe harbor” defense, which states that property owners are safe from source of income discrimination claims if 10% of their residential units are leased to housing voucher holders.

**3. Housing placement policy for multifamily rental units using Housing Tax Credits (HTC’s)**

- Committee Briefing in June 2016
- Committee Approved in June 2016
- City Council Briefing Planned for September 2016

As Adopted by the Housing Committee, with Staff’s further recommendations shown in underline:

This housing placement policy guides the development community to carefully select the site for Housing Tax Credit (HTC) projects that desire City support:

- o Multifamily rental units seeking to be developed as new construction using housing tax credits shall not receive City support, including a resolution of “no objection” unless they are in census tracts meeting all of the criteria for “High Opportunity Areas”
  - o High Opportunity Areas defined as:
    - Dallas census tracts with less than 15% poverty rate; and
    - in the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education Agency
- o Multifamily rental units seeking to be developed as a rehabilitation project using housing tax credits shall be considered city wide, subject to the City’s obligations to affirmatively further fair housing and uphold the Fair Housing Act, and shall not receive City support, including a resolution of “no objection” without proposed increased capital improvements, investment, and maintenance.
- o Allow support of all HTC projects if located in census tracts covered by an approved and funded Concerted Revitalization Plan (CRP)

**4. Voluntary Inclusionary Program**

- Committee Briefings in May and August 2016
- Committee directed staff to move forward with community engagement and bring back changes

Staff recommendation:

- The voluntary inclusionary program provides that all multifamily developments requesting subsidy or other City of Dallas consideration agree to a minimum of 10% of all units offered for households at 0% to 50% of the Area Median Family Income (AMFI), and
- A voluntary inclusionary zoning policy be adopted after reviewing the recommendations of the Department of Sustainable Development.

**5. Tax Increment Financing (TIF) District Policy**

- Committee Briefing in February and August 2016
- Committee memo distributed August 19, 2016
- Committee to reconsider August 29, 2016

Staff Recommendation:

Require Tax Increment Financing (TIF) District housing or mixed use projects in High Opportunity Areas that receive assistance to provide 20% of the units to households at 80% of the Area Median Family Income (AMFI) with half of the units to households at 50% AMFI and below

Alternative Staff Recommendation:

Require Tax Increment Financing (TIF) District housing or mixed use projects that receive assistance to provide:

- 20% of the units to be reserved for households at//or below 80% of Area Median Family Income (AMFI); or,
- 10% at 50% of AMFI; or,
- 5% at 30% of AMFI

**6. Home Improvement Rebate Program**

- Committee Briefing in August 2016
- Committee Forward to City Council in August 2016

As adopted by the Housing Committee:

- Single family homes and duplexes
- Homes built on or before 1985
- Current taxes and insurance
- Dallas County Appraisal District (DCAD) assessed total value of the property does not exceed \$200,000
- Must be located in a Neighborhood Plus Target Area or a Neighbor Up designated area

**7. Chapter 27 Minimum Housing Standard Ordinance to ensure safe, sanitary, and healthy habitability standards for all residents of Dallas**

- Committee Briefing in January and March 2016
- Committee Forwarded to City Council
- City Council briefed on May 18, 2016 and August 17, 2016 with consensus on the following proposed changes:

- Clarifying the required conditions that must be met in order to have a compliant structure, and removing vague language
  - Introducing healthy housing provisions that address conditions that affect asthma or other respiratory conditions
  - Modifying and clarifying landlord and tenant responsibilities
  - Providing that all required repairs must be performed in a workmanlike manner
  - Restructuring the property standards layout to improve readability
  - Providing a maximum indoor temperature that applies throughout the year, not just April – October
  - Adjusting fine amounts based on severity of violations
  - Strengthening multi-tenant rental property regulations
  - Introducing single-family rental home inspections
- City Council straw votes on August 17, 2016 added the following proposed changes
    - Requiring refrigerated air equipment capable of maintaining a room temperature at a maximum of 82 degrees F.
    - Requiring a device to supply hot water with a minimum temperature of 110 degrees F., measured at the water outlet
    - Requiring that when a written lease is utilized, that it must be provided in the primary language of the tenant when the tenants primary language is one of the five most common languages in Dallas County
    - Requiring a full-time manager to oversee the day-to-day operations of the property, if the property has 60 units or greater
  - City Council final vote scheduled for September 28, 2016

**8. Housing Mobility Program for voucher holders to be developed with the Dallas Housing Authority and other regional housing partners to affirmatively further fair housing choices throughout the Region, includes Landlord Sublease/Guarantor Program**

- Committee Briefing on August 15 & 29, 2016

**Staff Recommendation:**

In order to promote housing choices, the City of Dallas will encourage regional mobility for housing choice voucher holders by entering into an agreement with the Dallas Housing Authority to support this service along with Master Leasing/Guarantor Programs.

**9. Each project considered by the Housing or Economic Development Departments shall be evaluated by the Office of Fair Housing to ensure the project affirmatively furthers fair housing and otherwise complies with the City’s obligation under the Fair Housing Act.**

- Committee Briefing on August 3, 2015

**Staff Recommendation:**

Require the above noted policy to be implemented upon adoption of the complete Housing Policy document and that procedures be developed to ensure implementation with all relevant departments.