



City of Dallas

Housing Bond: 2024 General Obligation Bond Program Technical Criteria for the Department of Housing & Neighborhood Revitalization

**Housing and Homelessness
Solutions Committee
April 24, 2023**

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Presentation Overview



- Purpose
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- Past Bond Allocations
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- Cost to Administer
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- Timeline for DHP33
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Purpose



- Provide the identify the need for additional funding of up to \$400 million in Bond funding and other funds to support affordable housing development and preservation through an equity lens

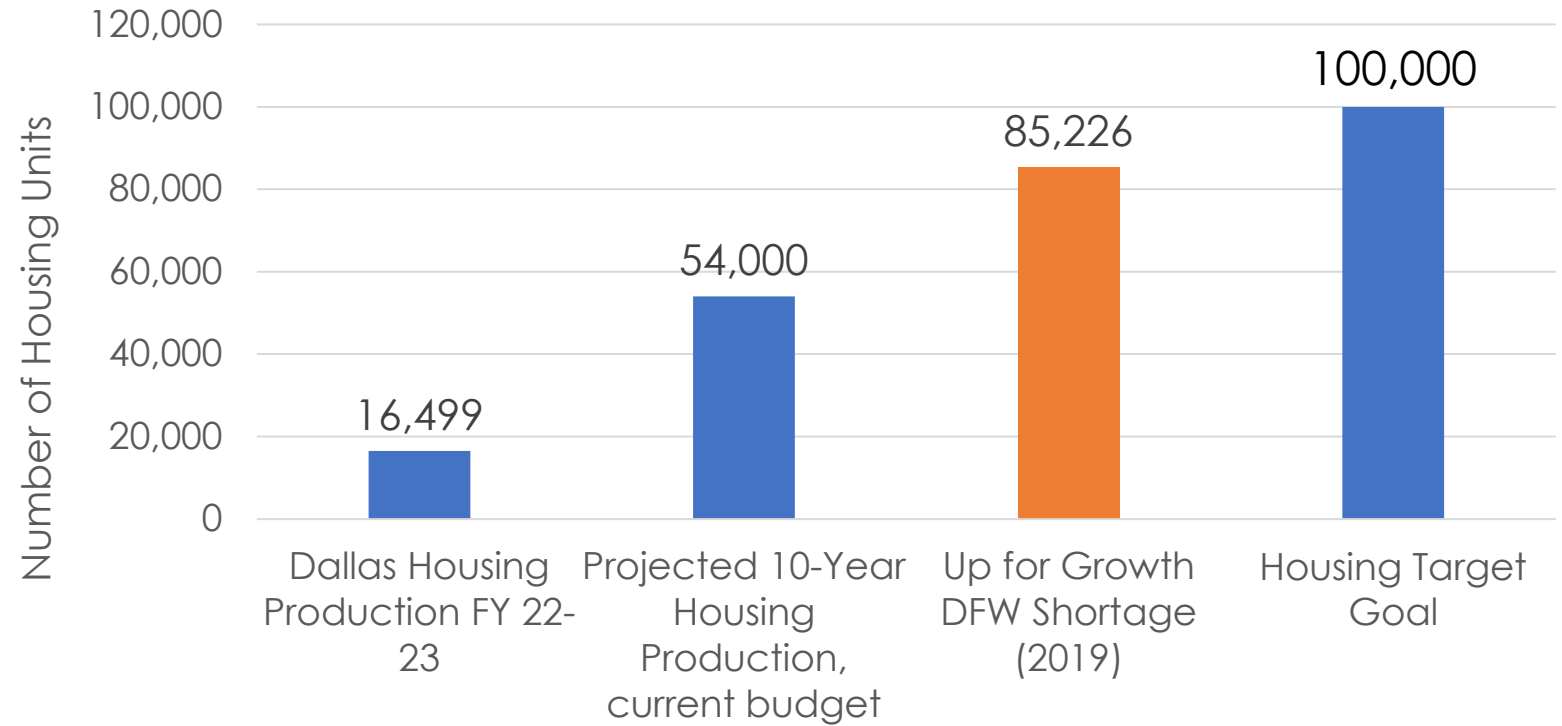
Source: data for this presentation is from the City of Dallas, the American Community Survey 2017-2021, Texas Real Estate Research Center, Zillow, the Federal Reserve of Dallas, HUD, Redfin, US Census, DCAD, Housing Forward, Moody's Analytics, and the Texas Demographic Center.



Background



- Reports suggest that Dallas/Fort Worth (DFW) has under-produced housing units by 85,226
- Dallas should aim to develop 100,000 units in the next 10 years



Background



- Of the existing 587,024 single-family and multifamily housing units, 300,184 (52%) of them were built before 1980.
- 25,542 units are in undesirable to fair condition based on Dallas Central Appraisal District (DCAD) condition data
- 13,337 units have expiring Low-Income Housing Tax Credits (LIHTC) by 2033
- 4,714 units are added to Dallas last year after accounting for demolitions
- 11,357 units permitted in FY 21-22, of which housing supported 26% of them



Background



- The U.S. Department of Housing and Urban Development (HUD) median family income for a 4-person household at 100% Area Median Income (AMI) in DFW is \$97,400
- That household needs to earn \$130,000/year to be able to afford a home with 30% housing cost to buy a median sale priced for a home - \$373,000
- Mortgage rates increased from average of 5.62% in the 3rd Quarter (Q3) 2022 to 6.66% in the 4th Quarter 2022



Background



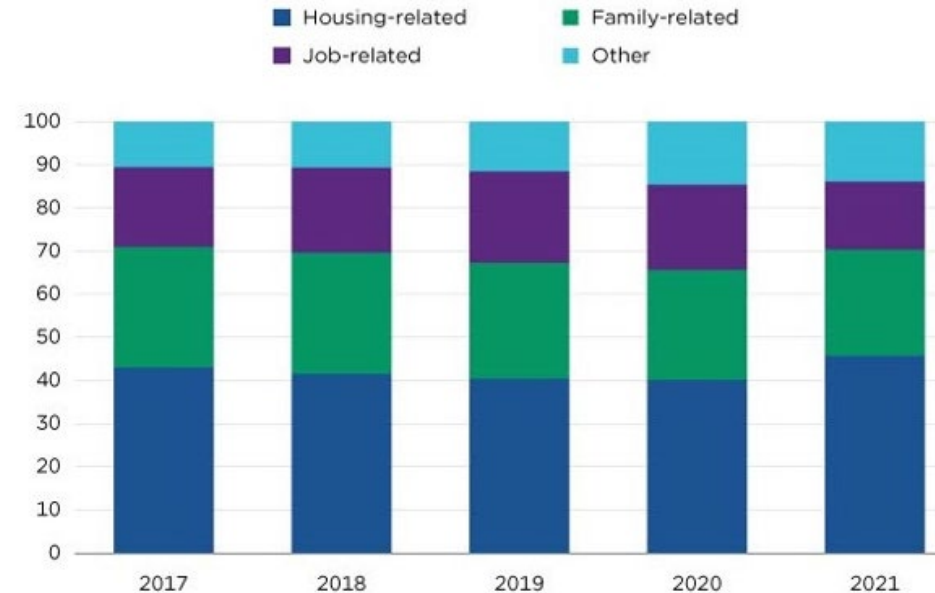
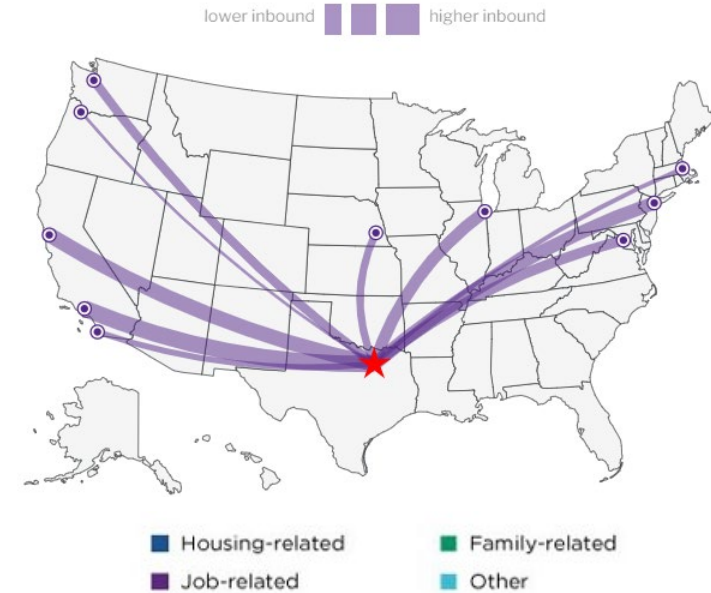
- Poverty in Dallas has decreased from 19.4% in 2016 to 14.2% for families in Dallas, as of 2021, but the poverty rate for families is still 6.1% higher in Dallas than in the DFW region
- Dallas has disproportionately worse housing conditions than in DFW, with a 6.3% overcrowding rate versus 4.4% in the DFW region
- Dallas has a 5.1% apartment vacancy rate but 2.6% in LIHTC units
- Rents have increased: 11% from 2021 Q3 to 2022 Q3
- Minimum wage earners must work multiple jobs to afford a 1-bedroom apartment in Dallas
- Over 134,000 low-income and moderate-income renter households earning under \$75,000/year are cost-burdened - they spend 30% or more of household income on housing



Background



- Housing is the greatest reason (~40%) people move
- People are moving to surrounding counties and to other major metropolitan cities when they move out of Dallas
- People are moving to DFW from LA, San Francisco, New York, Chicago, DC



SOURCE: Map from Redfin and Graph from U.S. Census

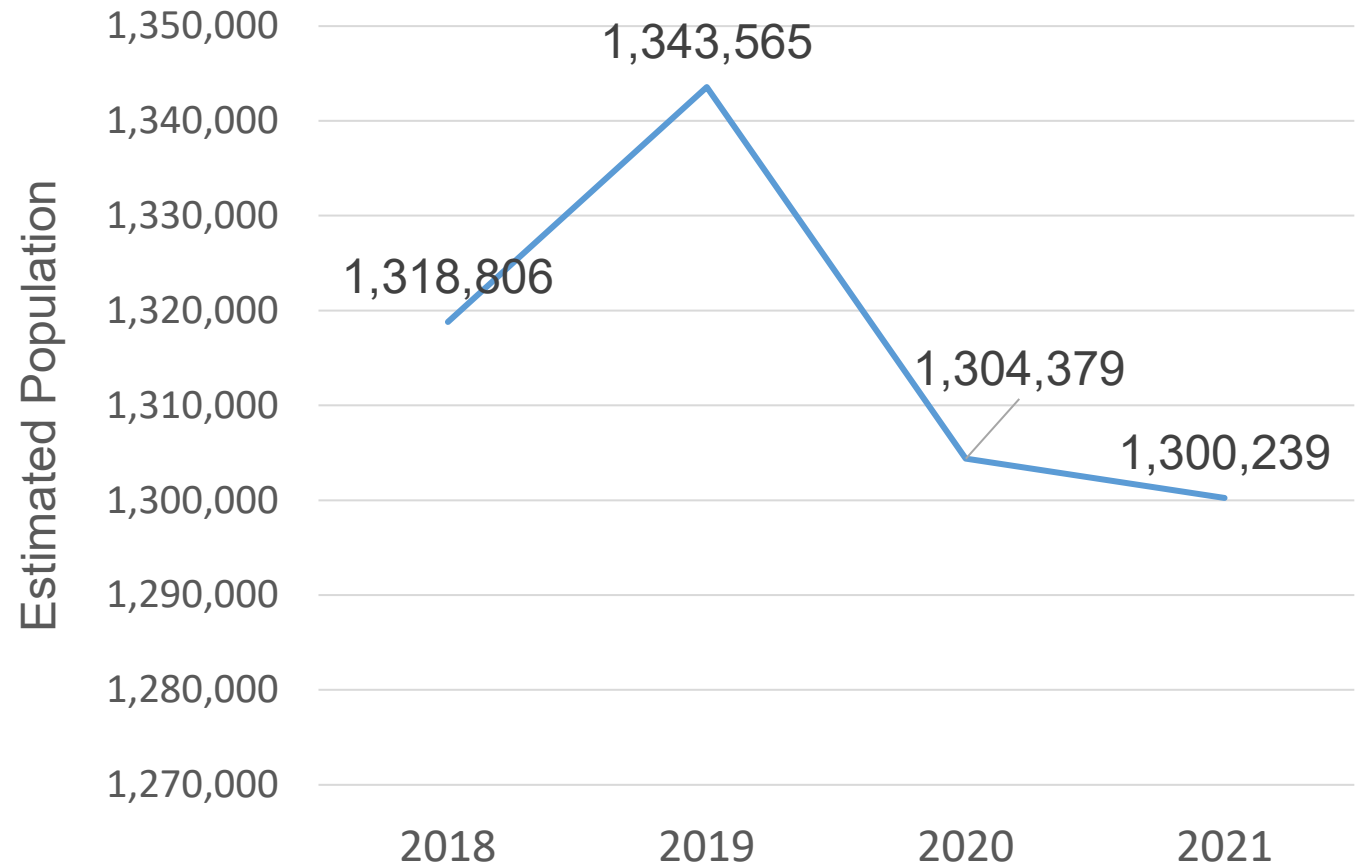


Background



“Despite population declines in 2020 and 2021, the City of Dallas is likely to see immigration recovering to the pre-pandemic level and could see population growth if it’s enough to cancel the out-migration to the surrounding areas.”

(according to Dr. Helen You at the Texas Demographic Center)



Background



- The age 65 and over cohort is 17.4% of population, up from 14.8% in 2010. As people 55-64 age, Dallas will continue to have a growing population over age 65.
- The annual Point-In-Time homeless/unhoused count showed 4,410 unhoused individuals in Dallas and Collin Counties in 2022



Past Bond Allocations



- The 2006 Bond Program was approved by voters on November 7, 2006. Housing received \$20M
- The 2012 Bond Program was approved by voters on November 6, 2012 for \$642M. Housing received \$23M
- Voters approved the 2017 Bond Program on November 7, 2017, for \$1.05B, and Housing was allotted funds on Prop J for \$6.3M
- Total units developed from all 2006, 2012, and 2017 Bond programs are 957.



Example of 2006 Bond Project



Bexar Street Redevelopment

Funding

CDBG: \$ 222,615

Bond: \$6,569,052

HOME: \$ 550,000
\$7,341,667

- Infrastructure improvements;
- New construction of 13 affordable townhomes
- Development received NCTCOG CLIDE Award



Photo Credit: [NCTCOG 2013 CLIDE Recipients](#)



Example of 2012 Bond Project



Palladium Red Bird

Funding

CDBG: \$1,271,576

HOME: \$5,000,000

Bond: \$2,028,424

Total: \$8,300,000

- Award-Winning Mixed-Income Project with bond funds used towards infrastructure and building construction
- 300 multifamily units, 70% reserved as affordable units



Example of 2017 Bond Project



The Bottom Phase II

Funding

D4 Equity Funds: \$1,888,974

Bond: \$ **827,436**

DWU: \$1,568,845

Total: \$4,285,255

- Catalyst infrastructure and housing project for neighborhood revitalization
- Single-family affordable homes, total number to be determined



Production Forecast



Fiscal Year	Department Funding – Grants/GF	Bond	Other Revenue MIHDB, DHFC/DPFC, GF,	Total Budget / Fiscal Year	City Investment/Unit	Subsidized Units	Market Rate Units	Total Units Repaired
2022-2023	\$ 20,000,000			\$ 20,000,000	10-15%	1,000	6,500	50
2023-2024	\$ 20,000,000		\$ 10,000,000	\$ 30,000,000		1,750	6,825	75
2024-2025	\$ 20,000,000	150M	\$ 10,000,000			1,750	7,166	100
2025-2026	\$ 20,000,000		\$ 10,000,000			3,250	7,524	100
2026-2027	\$ 20,000,000		\$ 10,000,000			3,250	7,900	100
2027-2028	\$ 20,000,000		\$ 10,000,000			3,250	8,295	100
2028-2029	\$ 20,000,000		\$ 10,000,000			3,250	8,709	100
2029-2030	\$ 20,000,000		150M			\$ 10,000,000	3,375	9,144
2030-2031	\$ 20,000,000	\$ 10,000,000		3,375		9,601	115	
2031-2032	\$ 20,000,000	\$ 10,000,000		3,375		10,081	115	
2032-2033	\$ 20,000,000	\$ 10,000,000		3,375	10,585	115		
TOTALS	200M	300M	100M	600M		31,000	92,330	1,085
		*150M Bond in 2024/2029				Total combined	123,330	



Cost to Administer



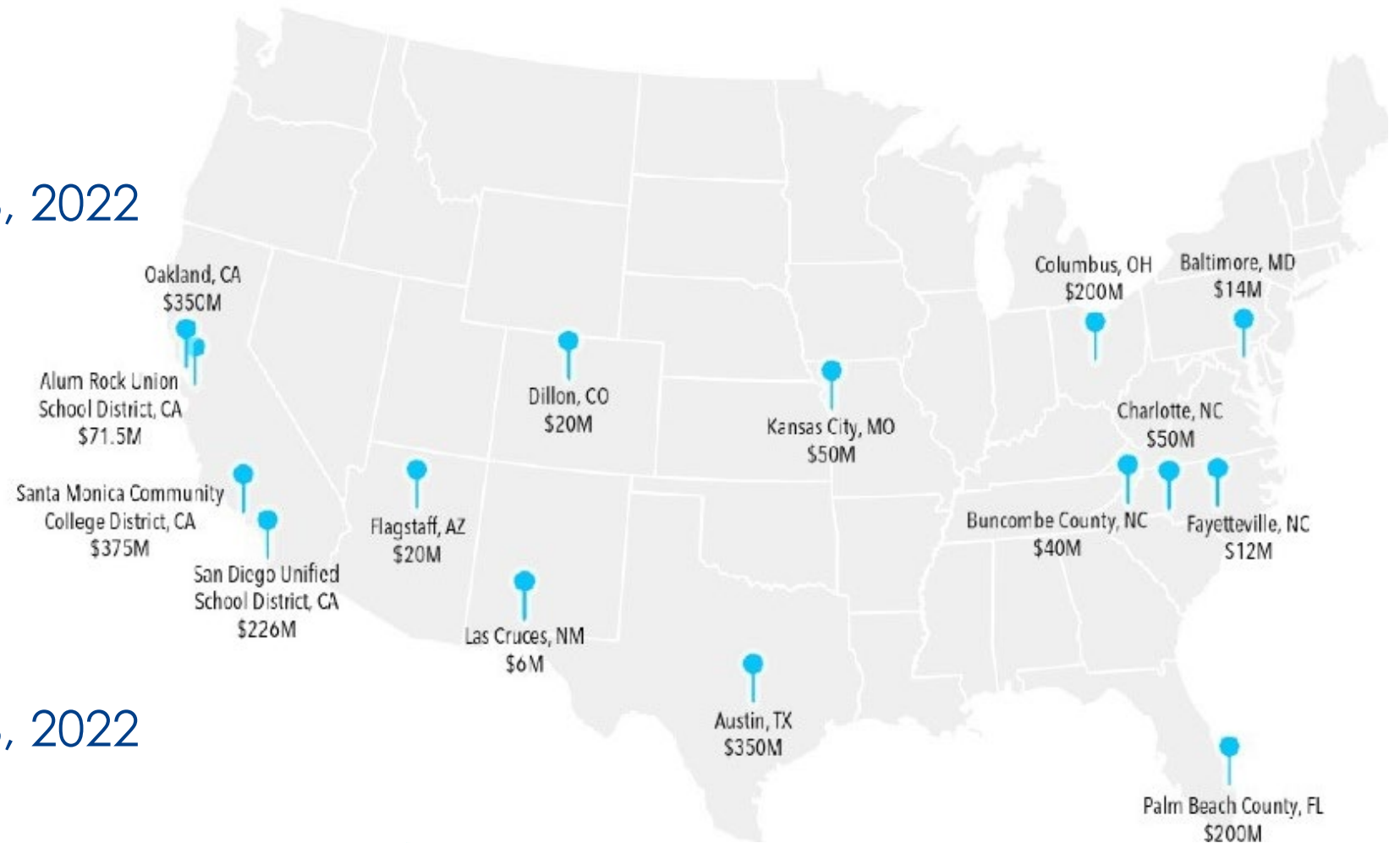
- To fully implement the new Dallas Housing Policy 2033 (DHP33) will take more than funding for direct housing development
- Staffing to administer projects and programs, compliance, administration, and budget
 - A development project manager can handle 8-10 projects
 - A home repair project manager can handle 50 projects
 - An asset manager for onsite monitoring and training can handle 8-10 projects
 - An Inspector can work on 15 home repairs + 4 developments
 - Ambassadors / Outreach Specialists are needed to focus on engagement
- Legal team staff is needed for more contracts
- Permit review staff is needed for increase in projects
- Contractors /developers partnerships need to grow



Comparable Cities



- Austin
 - Federal Budget: \$11,013,000
 - Bond, November 8, 2022 \$350M
- San Antonio
 - Federal Budget \$28,187,685
 - Bond, May 7, 2022 \$150M
- Columbus, OH
 - Federal Budget \$12,496,126
 - Bond, November 8, 2022 \$200M



Note: Santa Monica Community College District's \$375M bond will fund a variety of infrastructure projects, including affordable housing for students experiencing or at risk of homelessness.



Alignment with Dallas Housing Policy 2033 (DHP33)



- DHP33 includes goals of increasing housing production and preservation over the next 10 years utilizing a cross-departmental and stakeholder approach
- Bond funding will support housing development and preservation projects that align with the goals in DHP33
- An additional \$400M over the next ten years will ensure that DHP33 can be implemented and not just another plan or policy that sits on a shelf
- The other departments identified in the previous slide need to grow along with housing staff to fully implement the policy and address the housing challenges in Dallas



Alignment with Dallas Housing Policy 2033 (DHP33) (Cont.)



- Resources will go into partnership development and data to inform the Equity Strategy Target Areas
- To have impact in these areas, financial resources will be needed
- The 2024 Bond will allow the DHP33 to have funding needed for greater impact



Timeline for DHP33



December 2023

- Initiate internal / external agreements
- Consultants hired
- Dashboard

March 2024

- Establish criteria for Equity Strategy Target Areas
- Execute internal / external agreements

May 2024

- Bond Election

December 2024

- Engagement and selection of Equity Strategy Target Areas
- Storyboard
- Infrastructure needs known and budgeted

December 2027

- Analyze implementation efforts, make adjustments

May 2029

- Bond Election

December 2033

- Evaluate projects /programs
- Have increased development and preservation activity



Engagement



- Engagement activities related to development and preservation activities will take robust engagement which is outlined in the DHP33.
- Engagement is not a one time effort, rather it takes multiple frequent methods of connection and this may include but is not limited to:
 - Dedicated outreach staff
 - Housing Policy Task Force (HPTF) meetings
 - Committee / City Council briefings
 - Focus groups
 - Community meetings
 - Surveys
 - Canvassing
 - Combination of everything



Next Steps



- Housing Department will engage with City Council appointed Citizen Bond Committee to establish priorities on the allocation of Bond funds.





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