

**JANUARY 15, 2020 CITY COUNCIL BRIEFING AGENDA
CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated January 15, 2020. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



T.C. Broadnax
City Manager

Date

Elizabeth Reich
Chief Financial Officer

Date

RECEIVED

2020 JAN 10 PM 4:33

CITY SECRETARY
DALLAS, TEXAS

City of Dallas

1500 Marilla Street
Dallas, Texas 75201



January 15, 2020

9:00 AM

(For General Information and Rules of Courtesy, Please See Opposite Side.)

(La Información General Y Reglas De Cortesía Que Deben Observarse

Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while

Información General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

Reglas de Cortesía

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las

attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisara al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

Handgun Prohibition Notice for Meetings of Governmental Entities

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistol oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."

9:00 a.m. Invocation and Pledge of Allegiance

6ES

Special Presentations

Open Microphone Speakers

VOTING AGENDA

6ES

1. [20-111](#) Approval of Minutes of the November 19, 2019 City Council Meeting
2. [20-112](#) Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

BRIEFINGS

6ES

- A. [20-113](#) DAS Department Overview: Public Safety Focus

Attachments: [Presentation](#)

- B. [20-114](#) Proposed Amendment to the Comprehensive Housing Policy to Create a Residential Neighborhood Empowerment Zone (NEZ) Program and Zones

Attachments: [Presentation](#)

Closed Session

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Yvette "Will rap 4 weed" Gbalazeh, et al. v. City of Dallas, Cause No. 3:18-CV-76-N.

Open Microphone Speakers

6ES

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.

EXECUTIVE SESSION NOTICE

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-111

Item #: 1.

SUBJECT

Approval of Minutes of the November 19, 2019 City Council Meeting



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-112

Item #: 2.

AGENDA DATE: January 15, 2020
COUNCIL DISTRICT(S): N/A
DEPARTMENT: City Secretary's Office

SUBJECT

Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)



City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-113

Item #: A.

DAS Department Overview: Public Safety Focus

DAS Department Overview: Public Safety Focus

**Dallas City Council
January 15, 2020**

**Peter Brodsky, Chair
Animal Advisory Commission**

**Ed Jamison, Director
Dallas Animal Services**

**Nadia Chandler Hardy, Assistant City Manager
City Manager's Office**



Presentation Overview

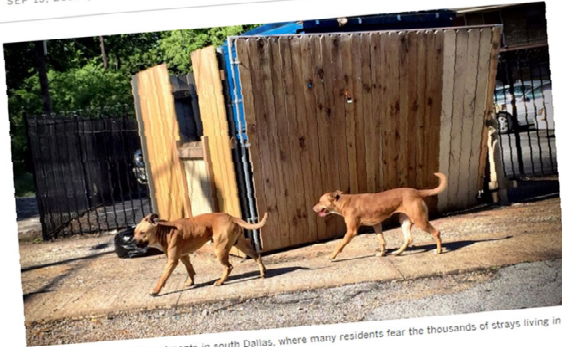
- Background
- Purpose
- Timeline
- Organizational Structure & DAS' Principles
- Field Operations Overview
- Increased Intake and Lives Saved
- Looking Forward

Background



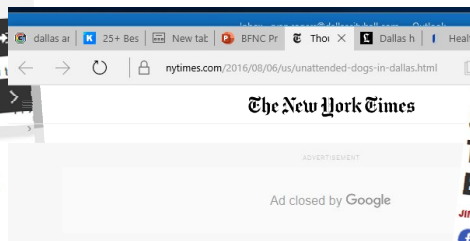
Dallas has a stray dog problem — about 9,000 of them. And some killed a woman

By MARISA GERBER
SEP 15, 2016 | DALLAS



Stray dogs wander past apartments in south Dallas, where many residents fear the thousands of strays living in the area. (Guy Reynolds / Dallas Morning News)

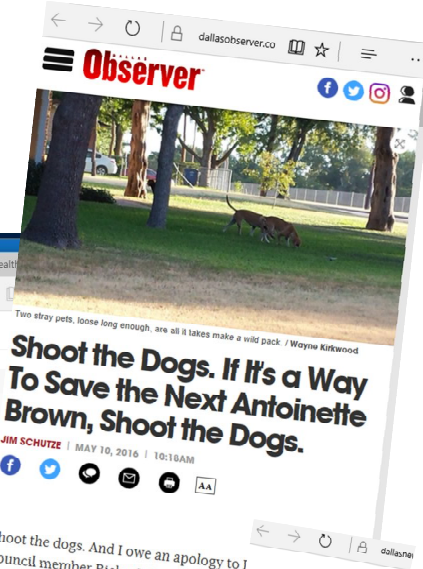
A deep growl came from the other side of Shaniqua Roland's front door.



Thousands of Roaming Dogs Are Cited as Problem in Poor Areas of Dallas

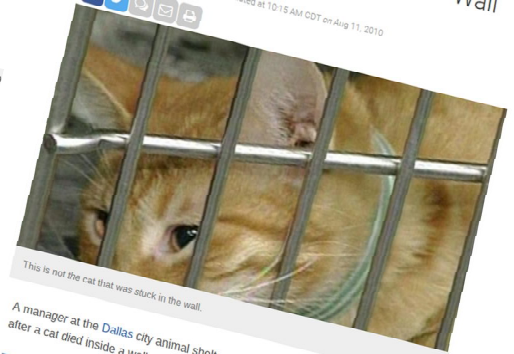
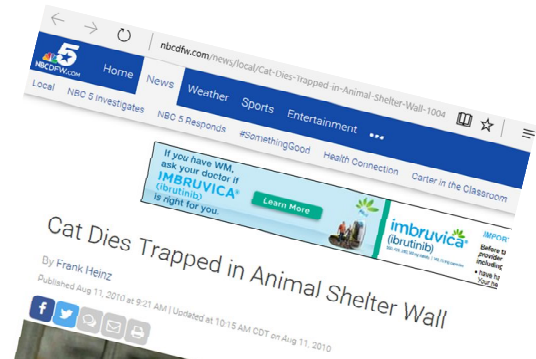


Maeleska Fletes, the president of the Dallas Companion Animal Project, called to a dog on the street in Dallas on Saturday. A report estimated there were 8,700 dogs on the loose in southern parts of the city. Cooper Neill for The New York Times



Shoot the dogs. And I owe an apology to I Council member Ricky Callahan for making couple weeks ago when he said the same not have taken the horrific story of Antoinette Brown up to speed.

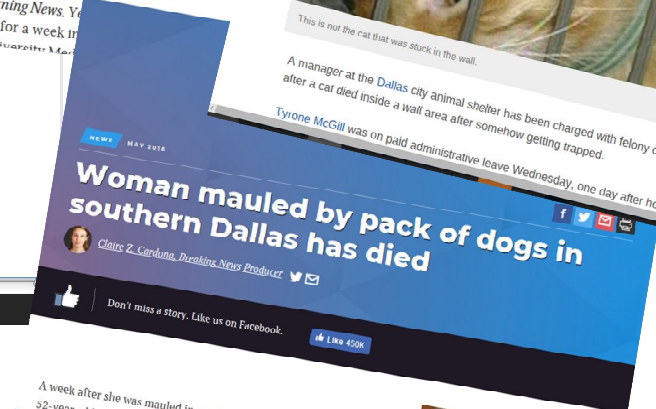
Brown is the 52-year-old lady savagely savaged by dogs in Dallas a week ago, bitten 100 times like they were eating a steak," Brown's mother Mervosh of The Dallas Morning News. Yet Brown had been kept alive for a week in induced coma at Baylor University Medical Center.



This is not the cat that was stuck in the wall.

A manager at the Dallas city animal shelter has been charged with felony cruelty after a cat died inside a wall area after somehow getting trapped.

Tyrone McGill was on paid administrative leave Wednesday, one day after he



A week after she was mauled in southern Dallas by a pack of dogs, the 52-year-old woman who was bitten more than 100 times has died.

Purpose

To provide the Dallas City Council with an update on current Dallas Animal Services (DAS) functions and performance relating to public safety, animal well-being as well as historical context for the changes at DAS over the past three years.

Key Events Timeline

FY16

MAULING DEATH

- Antoinette Brown attacked by 3 loose owned dogs; sustained fatal injuries
- Prior to this incident, the dogs involved had no reported bites

INTERNAL CITY AUDIT

- Identified 11 key results
- 752 loose & loose owned bites

BCG REPORT

- Conducted 11-week study of animal issues in Dallas
- Developed strategic plan to reduce number of loose dogs and increase live release rate

DPD TAKES OVER DAS

- City Manager reassigned DAS leadership to DPD team

FY17

NEW DAS DIRECTIVES

- Implement BCG strategic plan
- Decrease loose dog bites
- Increase intake of loose dogs
- Increase shelter live release rate / decrease euthanasia

ORDINANCE REVISIONS

- Replaced ineffective licensing with microchipping
- Replaced Intact Animal Permit with Breeding Permit
- Created provision for removal of animals from unattended motor vehicle in extreme temperatures
- Launched Fix It Tickets

DANGEROUS DOG PROCESS UPDATE

- DAS takes over dangerous dog investigations

FY18

DAS BECOMES DEPT

- DAS becomes standalone department

NEW LEADERSHIP

- Ed Jamison, Director
- Ryan Rogers, Asst. Director

RENEWED DATA FOCUS

- Data driven decision-making implemented

ORDINANCE REVISIONS

- Created Aggressive Dog Ordinance
- Strengthened Dangerous Dog Sec. 7-5.5
- Added ability to impound pets displaying signs of extreme health conditions
- Adjusted hold times and fees

FY19

RECORD-BREAKING RESULTS

- Exceeded 90% live release rate for 4 consecutive months

DALLAS90 LAUNCH

- Community engagement campaign designed to help increase live release rate

BUDGET ENHANCEMENTS

- Created Aggressive Dog Team
- Added On-Site Security Guard
- Added FTE Shelter & Medical Staff

PROCEDURE OVERHAUL

- Updated work instructions & operating procedures

CRUELTY PROCESS

- DPD creates cruelty detective unit

Department Functional Org Chart

Dallas Animal Services

Field
Operations
82

Shelter
Operations
91

Medical
Operations
28

Administration
18

219 Positions - 174 FTE - 45 Temp

6

DAS' Principles

Dallas Animal Services

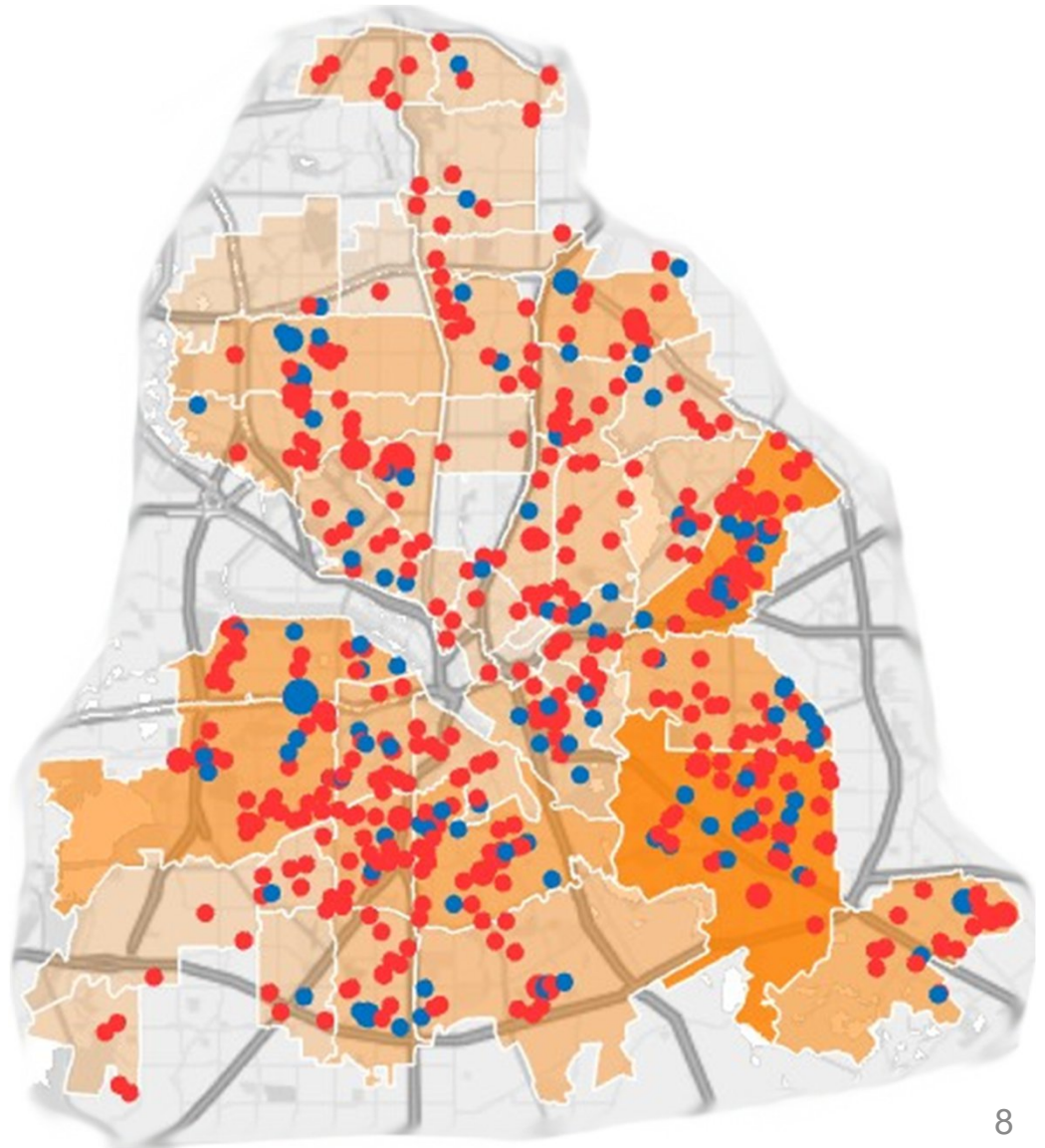
Public Safety • Compassion • No Shortcuts

7



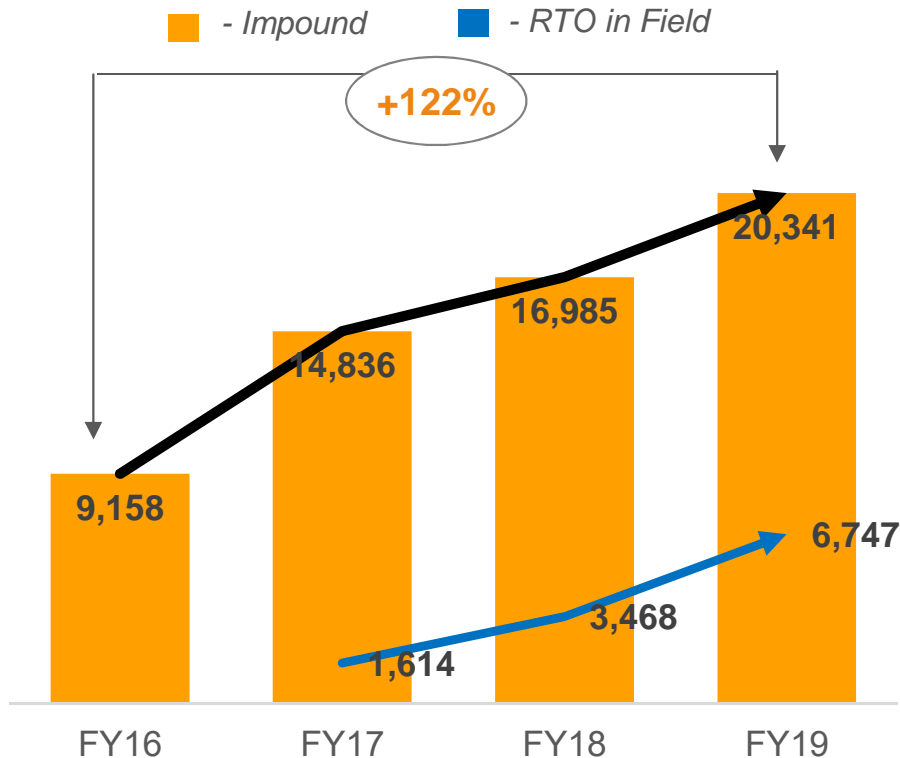
Loose Dog Bites

- **Loose owned dogs are the primary bite risk in Dallas**
- **Map Key:**
 - Darker colors = zip codes with greater number of reported bites
 - Dots show all loose dog bite locations
 - Red Dots: **OWNED** dogs
 - Blue Dots: **UNOWNED** dogs



Field Operations Overhaul

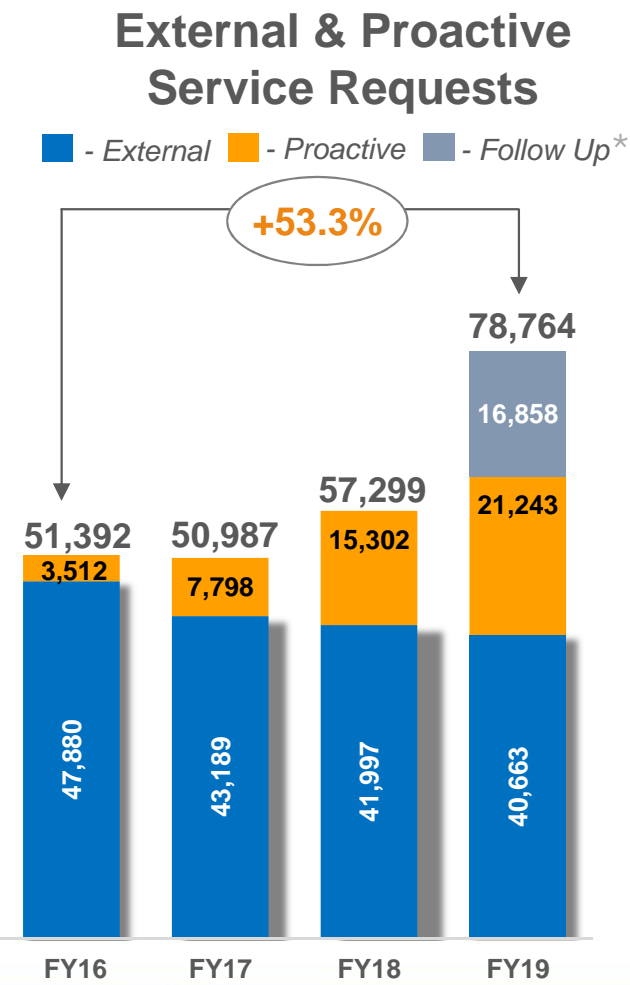
Field Dog Intake & Return to Owner



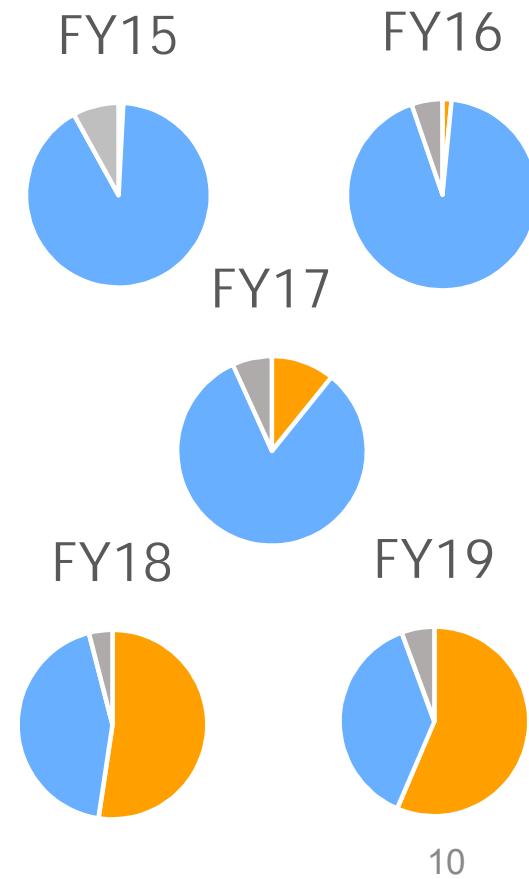
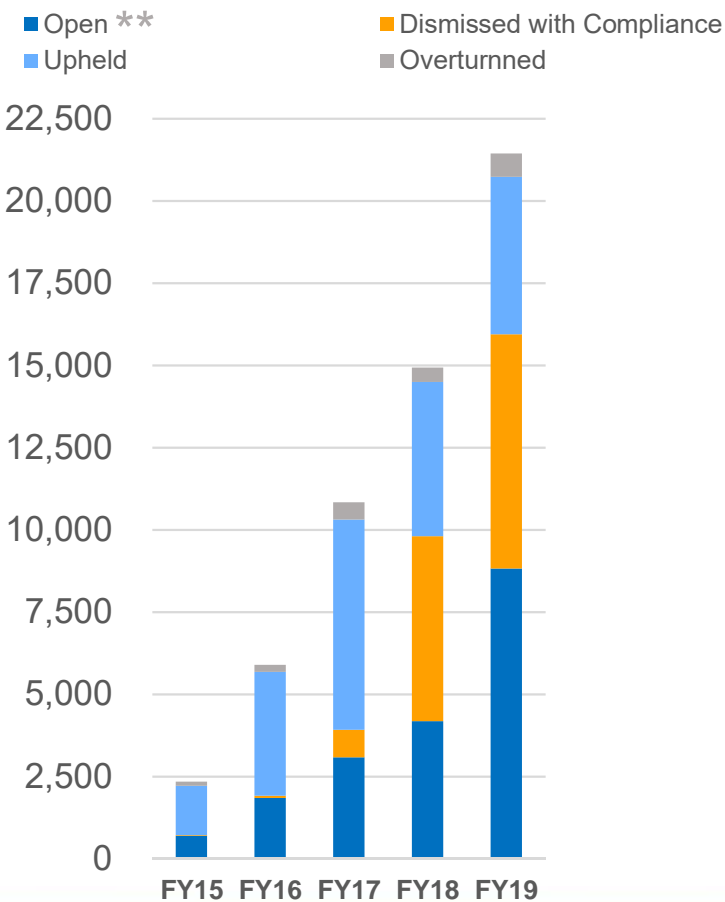
- Aggressive Dog Opps Team
- Restructured Schedule
- Officer Safety Equipment
 - GPS in trucks
 - Bulletproof vests
 - Body cameras (FY20)
- Dispatcher Pilot Program
 - Decreased high priority service request response time by 54.9% during times with dispatch coverage
- Took Over Dead Animal Pick Up (formerly Sanitation)
- Addition of Deep Night Shift, now 7 Days a Week

9

Service Requests and Citation Outcomes

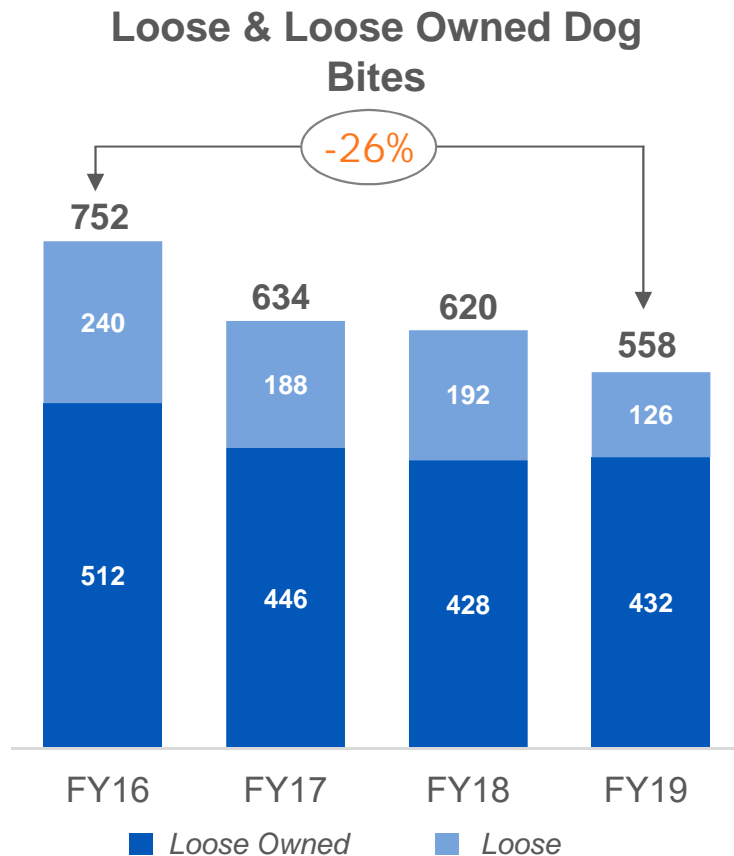


5 Year Citation Outcomes



*DAS started to track and report Follow Up calls in FY19 **Pie charts do not include OPEN citation outcomes

Loose Dog Bites Declining



- Addition of Aggressive Dogs Operations Team
- Focus on areas with high call volume of actual loose and loose owned bites

Dangerous Dog Definition

Texas Health and Safety Code, Title 10, Sec. 822.041

(2) "Dangerous dog" means a dog that:

- (A) makes an unprovoked attack on a person that causes bodily injury and occurs in a place other than an enclosure in which the dog was being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own; or
- (B) commits unprovoked acts in a place other than an enclosure in which the dog was being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own and those acts cause a person to reasonably believe that the dog will attack and cause bodily injury to that person.

Aggressive Dog Definition

City of Dallas Ordinances, 7-5.12

AGGRESSIVE DOG means a dog that on at least one occasion, while not legally restrained, killed or injured a legally restrained domestic animal or livestock.

Serious Bodily Injury (SBI) Definition

Texas Health and Safety Code, Title 10, Sec. 822.001.

(2) "Serious bodily injury" means an injury characterized by severe bite wounds or severe ripping and tearing of muscle that would cause a reasonably prudent person to seek treatment from a medical professional and would require hospitalization without regard to whether the person actually sought medical treatment.

Elements

ELEMENTS	AGGRESSIVE	DANGEROUS	SBI
Defined by state law .		X	X
Defined by The City of Dallas Code, Chapter 7 .	X		
Victim(s) is a human .		X	X
Victim(s) is a legally restrained domestic animal or livestock .	X		
Must take place in a location other than the enclosure in which the dog is being kept.		X	
Dog's actions must be unprovoked .		X	
Dog is required to have caused injury .	X		X
Initiating an investigations requires a notarized affidavit .	X	X	
DAS Animal Services Officers conduct an investigation .	X	X	X
DAS Director makes determination decision.	X	X	
DAS delivers evidence to court. A court makes the determination.			X
Owner has the right to appeal determination in court .	X	X	X
Owner must register dog annually with the city and comply with ownership requirements.	X	X	
A court may order that the dog is to be euthanized in accordance with state law on first offense .			X
DAS delivers evidence of non-compliance to court.	X	X	
If court finds that an owner is non-compliant after determination, a court may order the dog to be euthanized.	X	X	
After determination, if the dog is found to be loose, a court shall order the dog to be euthanized.		X	

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Dangerous and Aggressive Dog Process

- Order of Events*:

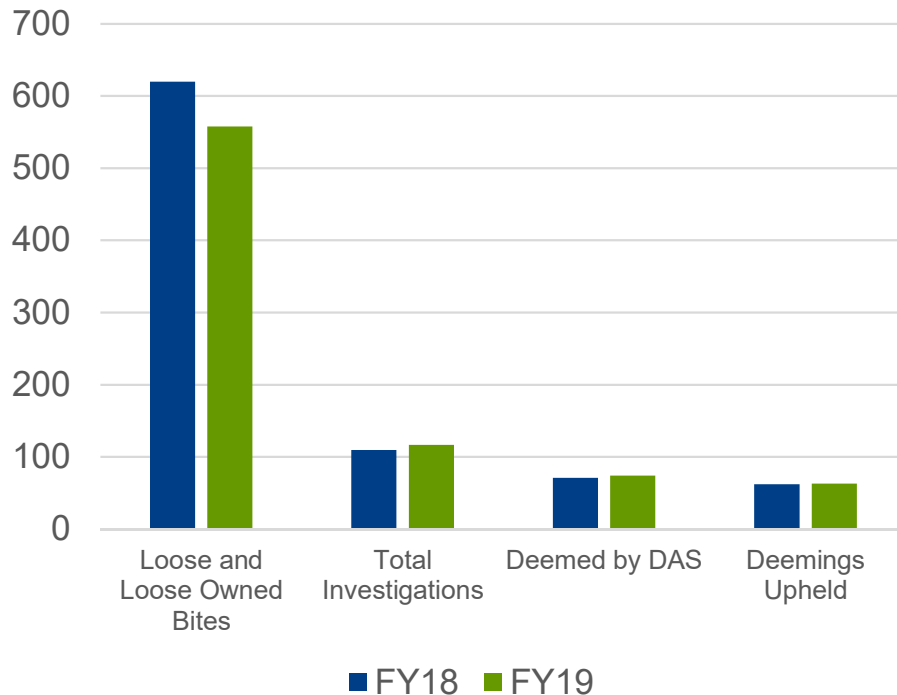


*The timeframe between steps in the process may vary by case.

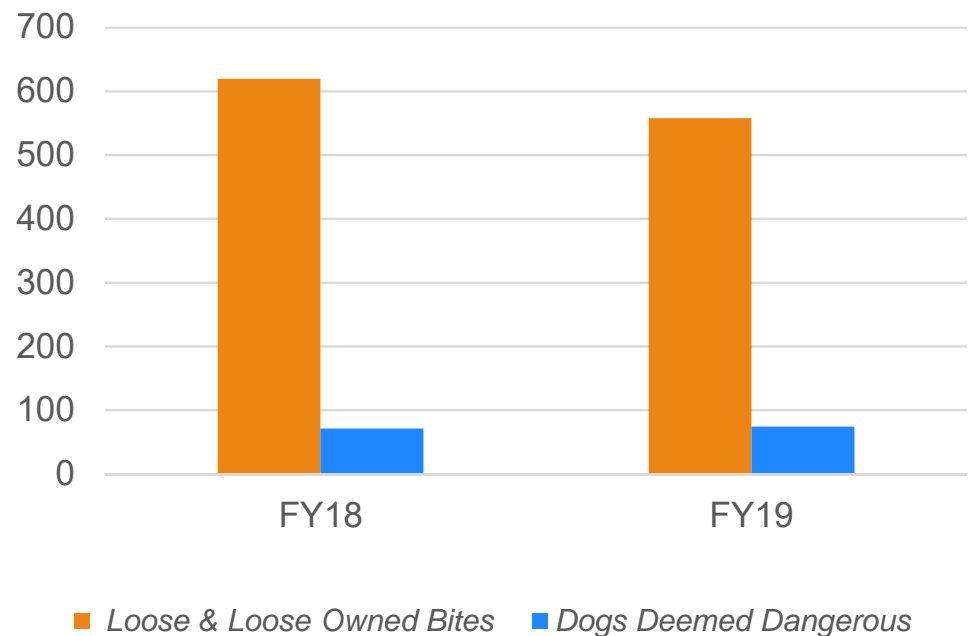
Dangerous Dog Results

Working Group for Dangerous Dogs in 2018

Dangerous Dog Investigation Results

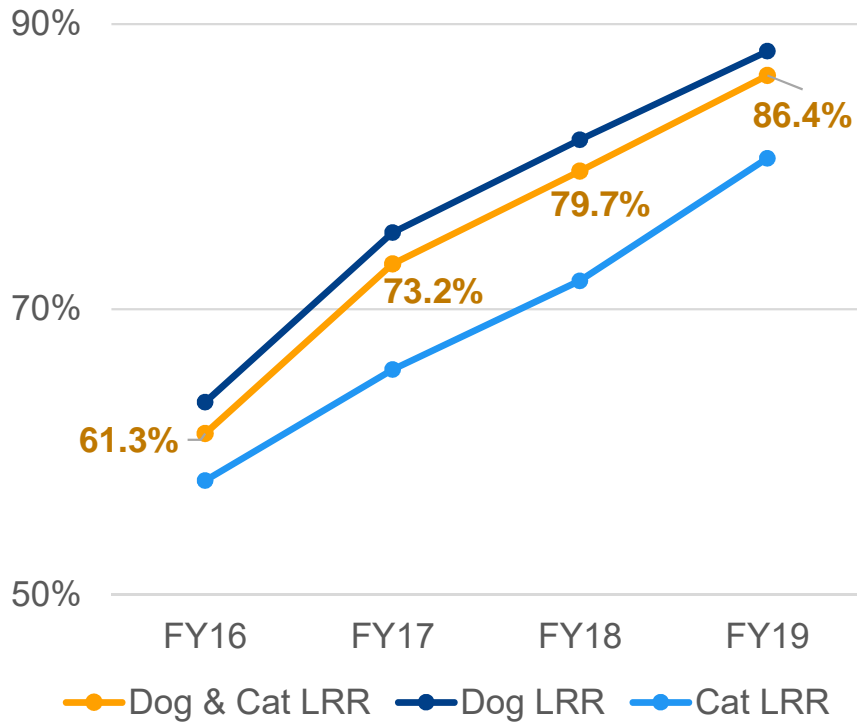


Loose & Loose Owned Dog Bites vs. Dogs Deemed Dangerous

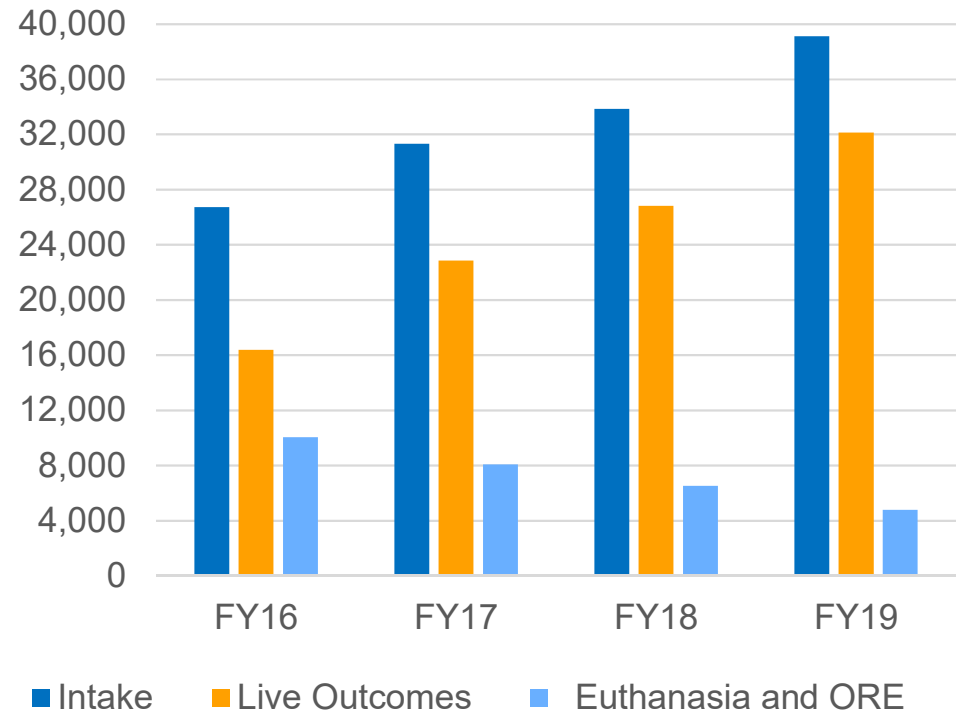


Increasing Lives Saved

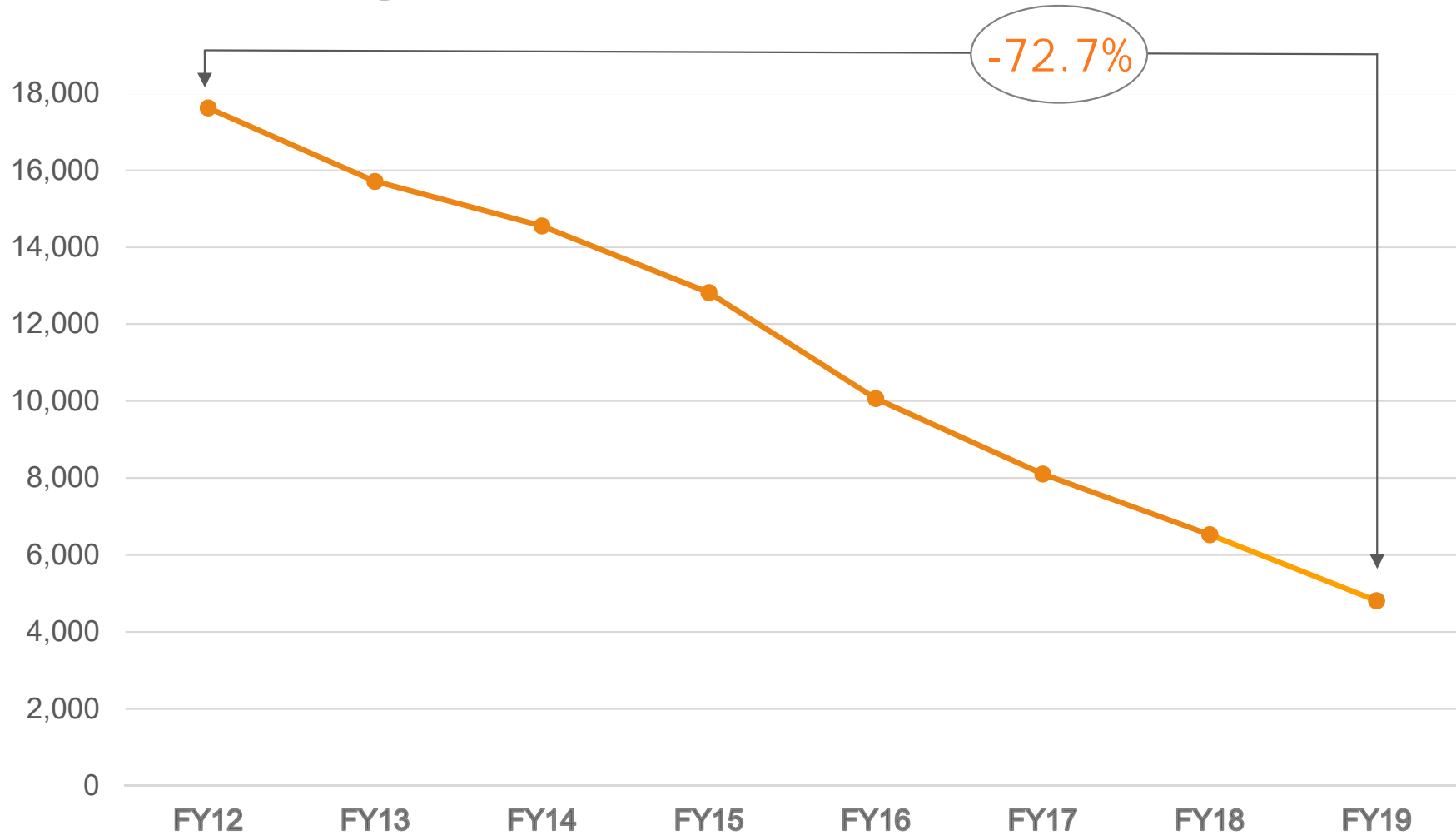
Live Release Rate



Intakes & Outcomes



Decreasing Euthanasia



19

National Recognition in 2019



Today, nearly all of these dogs are likely to find permanent new homes with families or to be reunited with their original owners.



As of Monday, Ruthie is still awaiting adoption at Dallas Animal Services.

Photographs by Ilana Panich-Linsman for The New York Times



- Winners of 2019 Innovation Showdown
- Received Million Cat Challenge shelter consultation
- One of Inaugurals Cities Certified as Better City for Pets
- Presenters at national animal welfare conferences
- News Coverage:
 - New York Times: “*Why Euthanasia Rates at Animal Shelters Have Plummeted*”
 - Dallas Morning News: “*An Embarrassment just 3 years ago, Dallas animal shelter is leading the way on data-driven results*”
 - NBC5: Hub for North Texas Clear the Shelters coverage

Looking Forward



Vision: Lead the nation in compassionate care of animals while finding positive outcomes for all placeable pets through innovative shelter operations and community engagement.

- **Performance 365 Measures**

- Sustainable live release rate of 90%+
- Decrease loose dog bites by 5%
- Improve resident service request timely response rate from 82% to 87%
- Improve dog return to owner rate to 35%+

- **Humane Education**

- BCG recommendation
- DAS/DISD RedRover Readers Program
- Census Track Focused CARE Team Deployment

- **Ordinance Review**

- Community Cats
- Bite Reporting
- Breeder Permits
- Removal of Remaining Licensing Language

- **Friends of DAS**

- New Fundraising Opportunities

21

DAS Department Overview: Public Safety Focus

**Dallas City Council
January 15, 2020**

**Peter Brodsky, Chair
Animal Advisory Commission**

**Ed Jamison, Director,
Dallas Animal Services**

**Nadia Chandler Hardy, Assistant City Manager
City Manager's Office**



APPENDIX



2016 Internal City Audit of DAS

<https://dallascityhall.com/departments/auditor/DCH%20Documents/Audit%20and%20Attestation%20Reports%20FY%202017%20%2810-01-2016%20to%2009-30-2017%29/A17-003%20-%20Audit%20of%20Dallas%20Animal%20Services%20Operations%2012-09-2016.pdf>

Audit Results

Dallas Animal Services Does Not Consistently Respond on Time to High Priority Calls	6
Controls Are Not Sufficient to Ensure Adequate Data Reliability and Call Response Time Monitoring	8
Inadequate Policies and Procedures for Call Response Times and Dispatching	10
City's Dangerous Dog Program Has Limited Effectiveness, in Part Due to State Law Design Also Affecting Most Texas Cities Surveyed	11
Inadequate Policies and Procedures for Oversight of Active Dangerous Dog Cases	14
Inadequate Monitoring of Controlled Substances and Expired Drugs	15
Inadequate Surveillance Camera System Management	18
Inadequate Controls for Access to Restricted Areas	20
Inadequate Documentation of Compliance with Association of Shelter Veterinarians' Guidelines	21
Inadequate Policies and Procedures for Training Compliance	23
Dallas Animal Services Did Not Consistently Conduct Annual Veterinarian Inspections	24

BCG Report: Loose Dogs in Dallas

BCG's findings and the resulting strategic plan can be found below:

https://dallascityhall.com/government/Council%20Meeting%20Documents/loose-dogs-in-dallas-strategic-recommendations-to-improve-public-safety-and-animal-welfare_combined_083016.pdf

Animal Control Enforcement

- Impoundment of Animals: City of Dallas Ordinances Sec. 7-2.5

(a) The director or the chief of police is authorized to seize and impound any animal:

- (1) in the city that is loose;
- (2) for protective custody;
- (3) required to be quarantined under Section 7-2.4;
- (4) seized pursuant to a warrant or court order;
- (5) that is a prohibited animal and kept in the city in violation of Section 7-6.1;
- (6) posing a threat to the public health or safety; and
- (7) displaying signs and symptoms of extreme health concerns.

(b) If an animal is impounded, except pursuant to Subsection (a)(4) and Section 7-2.6(e), the director shall make a reasonable effort to locate the animal's owner by sending notice using contact information from the animal's vaccination tag, microchip, or other identification. Additionally, the director shall call all telephone numbers listed as part of the contact information.

(1) A notice delivered pursuant to this subsection is deemed to be received on the earlier of the date actually received, or the third day following the date upon which the notice was sent. On the second calendar day following receipt of notice, the animal becomes the sole property of the city and is subject to disposition as the director deems appropriate.

(2) If the director is unable to locate contact information for the animal's owner from the animal's vaccination tag, microchip, or other identification, the director shall hold the animal at an animal shelter for a period of 72 hours, after which the animal becomes the sole property of the city and subject to disposition as the director deems appropriate.

(c) If an animal described in Subsection (a) is on private property, the impounding officer may enter the property for the purpose of impoundment or issuance of a citation, or both.

(d) The director is the designated caretaker of a loose, impounded, or surrendered animal immediately upon intake at the animal shelter.

(e) Visitation of a seized animal is prohibited.

(f) No animal impounded at a city animal shelter or in the custody or control of animal services may be knowingly sold, released, or otherwise disposed of for research purposes. (Ord. Nos. 26024; 29403; 30483; 30900)

- DAS citations are Class C Misdemeanors

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Dangerous Dog Compliance

City of Dallas Ordinances Sec. 7-5.5

(a) In addition to complying with the requirements of Subchapter D, Chapter 822 of the Texas Health and Safety Code, as amended, a person shall, not later than the 15th day after learning that he is the owner of a dangerous dog:

- (1) have an unsterilized dangerous dog spayed or neutered;
- (2) register the dangerous dog with the director and pay to the director a dangerous dog registration fee of \$250;
- (3) restrain the dangerous dog at all times on a leash in the immediate control of a person or in a secure enclosure;
- (4) when taken outside the enclosure, securely muzzle the dangerous dog in a manner that will not cause injury to the dog nor interfere with its vision or respiration. The muzzle must prevent the dangerous dog from biting any person or animal;
- (5) obtain liability insurance coverage or show financial responsibility in the amount of at least \$100,000 to cover damages resulting from an attack by the dangerous dog causing bodily injury to a person and provide proof of the required liability insurance coverage or financial responsibility to the director;
- (6) place and maintain on the dangerous dog a collar or harness with a current dangerous dog registration tag securely attached to it;
- (7) have the dangerous dog injected with a microchip implant and registered with a national registry for dogs; and
- (8) post a legible sign at the entrance to the enclosure in which the dangerous dog is confined stating "BEWARE DANGEROUS DOG." The aforementioned sign must be purchased from Dallas Animal Services.

Live Release Rate Comparison

In March 2019, after briefing the Animal Advisory Commission, DAS changed our live release rate calculation from Asilomar to DAS LRR (see below). The calculation now includes owner requested euthanasia, missing and died in care, making it the most challenging live release calculation in the industry.

Asilomar / Maddies Fund Report 01/01/2019 to 12/19/2019

LIVE RELEASE RATE: 89.2%

Dogs: 90.67%

Cats: 84.36%

The Live Release Rate does not include 158 owner/guardian requested euthanasias which were unhealthy and untreatable (see line R) and 490 animals that died or were lost in shelter care (see line U).

Beginning Shelter and Ending Shelter totals have an acceptable variance of .5% due to database variances in intake and outcome dispositions of the shelter population.

DAS Live Release Rate Report 01/01/2019 to 12/19/2019



LIVE RELEASE RATE: 87.7%

Dogs: 89.83%

Cats: 80.65%

The Live Release Rate does include 158 owner/guardian requested euthanasias and 490 animals that died or were lost in shelter care (see line U).

Beginning Shelter and Ending Shelter totals have an acceptable variance of .5% due to database variances in intake and outcome dispositions of the shelter population.

FY19 DAS Fee Study

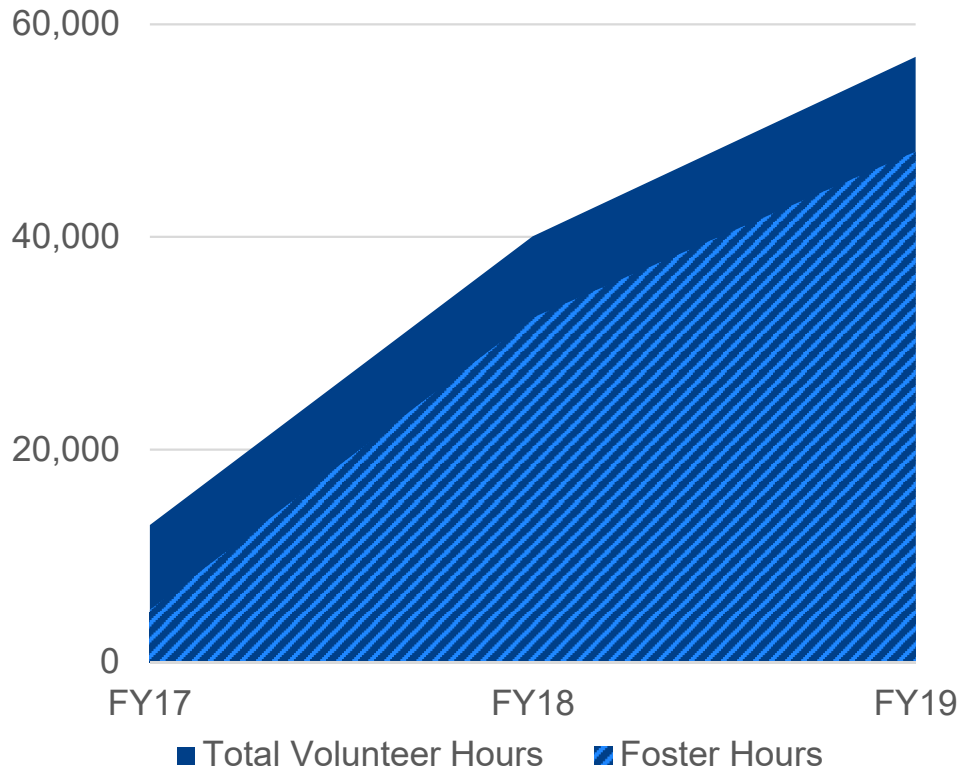
Results of the city's FY19 fee review of DAS fees.

Fee Review	Fee Name	Current Fee per Unit	Full Cost per Unit	Proposed Fee Per Unit	% Cost Recovery
Dallas Animal Services					
1	Adoption (Dog)	\$85	\$223	\$45	20%
2	Adoption (Cat)	\$55	\$250	\$15	6%
3	Animal Control Fee (Impounded by City)	\$27	\$56	\$25	45%
4	Animal Control Administrative Fee (Boarding)	\$10	\$11	\$10	91%
5	Rabies Vaccination	\$10	\$20	\$10	50%
6	Microchip	\$15	\$6	\$10	167%
7	Spay/Neuter Surgery Fee	\$60	\$81	\$40	49%
8	Dangerous Dog Registration	\$50	\$6,016	\$250	4%
9	Aggressive Dog Registration	\$50	\$652	\$250	38%
10	Adoption –Dog at least 6 years or adopter age 65+	\$43	\$0	\$25	N/A
11	Adoption –Cat at least 6 years or adopter age 65+	\$27	\$0	\$5	N/A

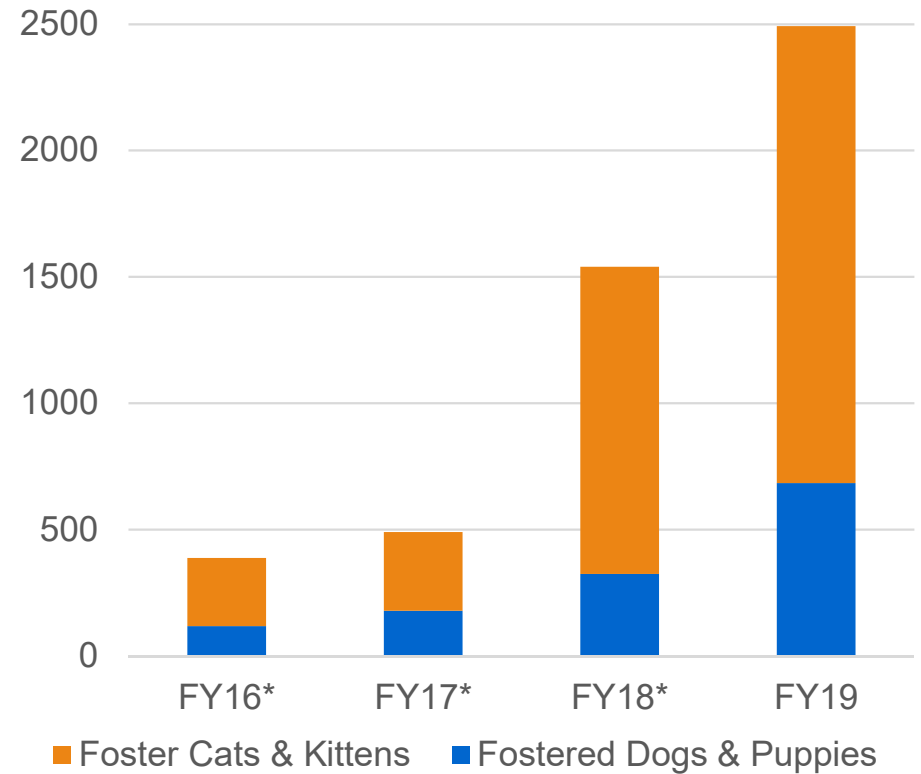
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Community Engagement

Volunteer & Foster Hours



Animals Fostered



**Fosters tracked primarily through spreadsheet rather than database which may lead to variances.*

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Innovative Lifesaving Programs



- Foster
- Kitten Nursery
- Dog Play Groups
- CARE Team
- Doggy Daycation
- D90 Runners
- Owner Surrenders by Appointment
- PASS Program Partnership
- D90 Shelter Service System
- Increased Cross Country Transport

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City of Dallas

1500 Marilla Street
Dallas, Texas 75201

Agenda Information Sheet

File #: 20-114

Item #: B.

Proposed Amendment to the Comprehensive Housing Policy to Create a Residential Neighborhood Empowerment Zone (NEZ) Program and Zones

Proposed Amendment to the Comprehensive Housing Policy to Create a Residential Neighborhood Empowerment Zone (NEZ) Program and Zones

City Council

January 15, 2020

**David Noguera, Director
Pam Thompson, Housing Policy Task Force Administrator
Housing & Neighborhood Revitalization Department**

**Courtney Pogue, Director
Office of Economic Development**



City of Dallas

Summary

- Introduction
- Issues
- Current policy direction
- Proposed Program – Residential Neighborhood Empowerment Zones
 - Program Design
 - Program management, monitoring, and evaluation
 - Legal authority
 - Challenges
- Next steps
- Appendix



Introduction - Residential NEZ Program

- Residential Neighborhood Empowerment Zone (NEZ) Program incentivizes
 - **Construction** of single-family homes, duplexes, and owner-occupied multifamily units reserved for income-qualified owners and tenants on lots that are vacant, subject to a Chapter 27 order of demolition, or purchased through Land Bank/Land Transfer
 - **Renovation of owner-occupied** single-family homes, duplexes, and multifamily units for income-qualified owners
 - **Renovation** of single-family and duplex **rental** housing units in addition to an **ensuring ongoing affordability**
- Within designated residential neighborhood empowerment zones



Introduction - Residential NEZ Program

- Each NEZ is near an MVA stabilization area, defined as a weaker housing market surrounded by stronger markets
- These are “tipping point” areas, where existing homes need repair or renovation, market values are going up, and residents are at risk of displacement based on known market conditions
- The program offers
 - Development fee reimbursements (through the housing trust fund) and
 - Tax abatements on the added value (estimated lost revenue)



Introduction - Residential NEZ Program Cost Scenario

- Under one scenario, the program could incentivize
 - 75 new homes affordable to families under 120% AMI (~\$100,000 for a family of four) and
 - 125 individual renovation projects
- Public/private leverage would be about 1:10
 - Total cost is \$2.8M
 - Private investment is \$25M (\$18M in new construction and \$6M in renovations)
- See appendix for details



Introduction - Residential NEZ Program Economic Impact

- In 2013, the National Association of Home Builders studied the effect of constructing 17,000 single family homes valued at ~\$244k on the Dallas Metropolitan Statistical Area (MSA)*
- The total first-year direct, indirect, and induced (ripple effect) impact on the Dallas MSA of these homes was **\$3 billion** in wages, salaries, business income, and government revenue
- The annual, ongoing impact was **\$514 million**
- Conclusion: New home construction generates ongoing, annual effects as new residents work, spend money, improve their homes, pay taxes, use utility services, etc.

*Source:

The National Association of Home Builders, 2013. *The Metro Area Impact of Home Building in Dallas, Texas: Income, Jobs, and Taxes Generated*
Latest data currently available. Dallas MSA includes Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall counties.

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Introduction - Residential NEZ Program Economic Impact

- Counting direct, indirect, and induced economic effects of only the new construction in this proposed program:
 - The region sees up to **\$14 million** in new local income **and**
 - **\$1.6 million** in additional government revenue from the construction alone
- Each year after the homes are finished, the region sees an additional \$2.7M in new local income and \$579,979 in net government revenue
- The City of Dallas would get a significant share of that economic impact, depending on the location of suppliers and workers

*Source:

The National Association of Home Builders, 2013. *The Metro Area Impact of Home Building in Dallas, Texas: Income, Jobs, and Taxes Generated*
Latest data currently available. Dallas MSA includes Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall counties.

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Issues

- This program is designed to address two main issues:
 - Potential displacement in areas with strong real estate market pressures and historic disinvestment exist
 - Low levels of construction of homes affordable to families under 120% of area median income (AMI)



Issue – Market Pressures and Disinvestment

- The proposed NEZs are near the MVA's stabilization areas, which experience market pressures as well as the accumulated effect of long-term disinvestment, such as unmet maintenance needs, code/tax liens, code compliance activity on nearby vacant lots, and lack of new construction
- Other Department of Housing & Neighborhood Revitalization programs, other City initiatives, philanthropic efforts, and the market sometimes aren't sufficient to permanently address these issues
- Program is designed to incentivize investment while providing needed tax relief and protecting against displacement

Issue – Lack of New Homes Under \$300K

- About 20% of DFW's population resides in the City of Dallas, but the City currently produces only **2%** of DFW's new owner-occupied housing priced under \$300,000 each year:
 - Before the 2008 recession, Dallas produced a peak of 2,178 homes priced under \$300,000 annually
 - For the quarter ending 3Q 2019, the number was **412**, only **2%** of the 17,366 the DFW area produced
- Since 2007, more than 50% of the housing construction in the City has been priced above \$350,000
- This has resulted in an aging of lower-priced housing stock and a hollowing-out of housing stock affordable to families between 60% and 120% of AMI – essentially the middle class

*Data courtesy of MetroStudy

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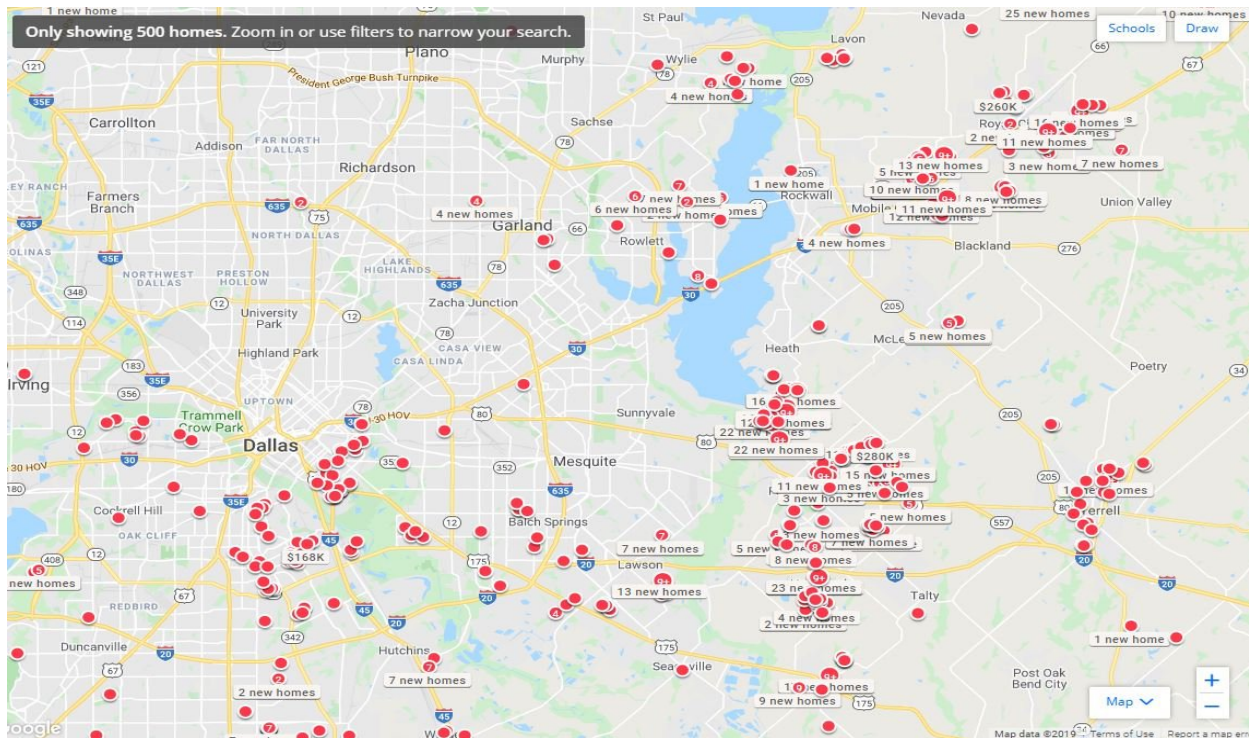
City of Dallas

Issue: Location of <\$300K New Home Construction

- The Zillow map on next slide shows single family and townhome units built since 2015 that are currently for-sale under \$300k
 - Hundreds of new homes in Garland, Fate, Royse City, Forney, Terrell, & unincorporated Kaufman County
 - Off the map: large new home communities south: in DeSoto, Lancaster, and Glenn Heights and north: in Anna, Princeton, and Roanoke
- In contrast, map shows only 123 homes built since 2015 that are currently for-sale under \$300k in all the City of Dallas

Issue: Location of <\$300K New Home Construction

Most of the red dots in Dallas represent **one** new home



Many of the red dots outside Dallas represent **multiple** new homes

Issue – Increasing Gap Between Wages and Home Prices

Income vs Home Value	2010 Census	2019 Q4	Growth
Median Household Income	\$41,415	\$55,215	7%
Median Home Value	\$147,793	\$239,527	2%

Home Values	2010 Census		2019 Q4		Change
HU Value Less Than 100k	87,376	14.8%	48,684	7.4%	-38,692
HU Value 100k-200k	69,606	11.8%	65,520	9.9%	-4,086
HU Value 200k-300k	32,044	5.4%	37,872	5.7%	5,828
HU Value 300k-400k	18,282	3.1%	31,908	4.8%	13,626
HU Value 400k-500k	8,850	1.5%	20,586	3.1%	11,736
HU Value 500k-1mil	17,458	3.0%	36,562	5.6%	19,104
HU Value Above 1mil	7,670	1.3%	17,216	2.6%	9,546

*Data courtesy of MetroStudy

- Between 2010 and 2019:
 - Dallas incomes grew by 2% annually while median home values grew by 7% annually
 - The number of owner occupied homes in Dallas *under* \$200,000 **dropped** by 42,778 units
 - The number over \$200,000 grew by 59,840, with most of the homes valued over \$400,000
- The City's housing stock has become more expensive

Current Policy Direction - CHP

- Comprehensive Housing Policy (CHP) has three main goals:
 - Create and maintain available and affordable housing throughout Dallas,
 - Promote greater fair housing choices, and
 - Overcome patterns of segregation and concentrations of poverty through incentives and requirements
- CHP has several focus areas:
 - New development (multifamily and single family)
 - Affordability preservation
 - Homeless housing initiative
 - Neighborhood investment (Infrastructure & Amenities)
 - Funding and supporting actions
- Proposed NEZ program incentivizes new development, preserves affordability, and stimulates investment in designated neighborhoods while advancing all three CHP goals

Current Policy Direction - NEZs

- CHP designated three types of Reinvestment Strategy Areas: redevelopment, stabilization, and emerging markets
 - Stabilization areas are weaker housing markets surrounded by stronger markets, where residents are at risk of displacement based on known market conditions
- CHP prioritized NEZs in stabilization areas
 - NEZ can be used to incentivize new affordable housing units and preserve existing affordable housing units through property tax abatements and development fee reimbursements
- The proposed NEZ districts support these stabilization areas



Program Design - Community Outreach

- The steering committee of the housing policy task force was briefed on this item on September 18, 2019; October 29, 2019; and December 17, 2019
- Additionally, more than 400 members of the broader task force were invited to, and more than 50 members attended, a meeting on September 24, 2019 to discuss the program
- In general, staff incorporated task force input and/or received strong task force support for program requirements
 - One exception – the steering committee recommended *including* a waiver of Article X tree mitigation fees.
 - Staff recommendation *does not* include waiving/reimbursing Article X mitigation fees



Program Design - Incentives

Benefit	Description	Maximum Amount	Payment Timing
Development fee reimbursement	Reimbursement of: *development and permit fees *zoning and platting fees *DWU fees *Costs for required tree survey *Add'l tree preservation services	\$15,000, with an additional \$5,000 at the discretion of the director, depending on needs of site and actual fees paid	After the following are complete: *construction/renovation *paperwork submitted *inspections passed *restrictive covenant filed *unit occupied by eligible household
Tax abatement	Annual abatement of city taxes on the added value (the difference between the value when the agreement was signed (before work began) and the current value)	Amount varies by property value and growth rate: *new construction: \$15,000-\$20,000 *renovation: \$1,500-\$5,000 See examples in appendix.	Annual abatement, after compliance review, restrictive covenant is filed, and as part of the annual tax appraisal and payment process

Program Design - Program Requirements

Activity	Housing Unit Type	Minimum \$ Investment	Affordability
New construction	Single family, duplex, and owner-occupied multifamily (condos)	No minimum, but home must meet code and be occupied by an eligible household	<120% AMI for sale (\$99,720 for a family of four; \$79,776 for family of two) <80% AMI for rental (\$66,500 for a family of four, \$53,200 for family of two)
Owner-occupied renovation	Single family, duplex, and owner-occupied multifamily (condos)	\$5,000, focused first on weather-proofing	<120% AMI (\$99,720 for a family of four)
Rental renovation	Single family homes and duplexes	\$10,000, plus must bring property into compliance with Chapter 27	<80% AMI (\$66,500 for a family of four)

Notes:

*First responders and teachers qualify as eligible households

Required affordability periods:

*5 years for development fee reimbursements (subject to clawback provisions)

*Each year for abatement (up to 10 years)

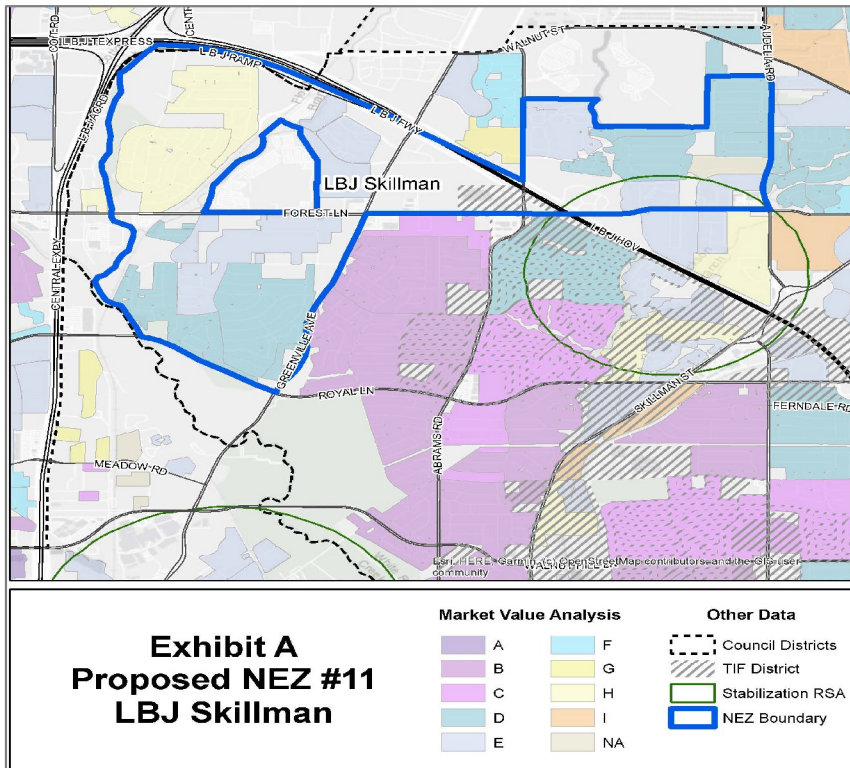


Program Design - Program Requirements

- Homebuyer education required
- Participants may not discriminate against holders of housing vouchers
- Existing tenants may not be evicted for at least one year, except for cause
- Applicants may utilize other city programs, such as HIPP or DHAP, in conjunction with this program
- After the 10-year abatement period is complete, applicants who have not defaulted may apply again, provided they complete additional investment and maintain affordability. Upon qualification, they will be eligible to receive program benefits available at that time.

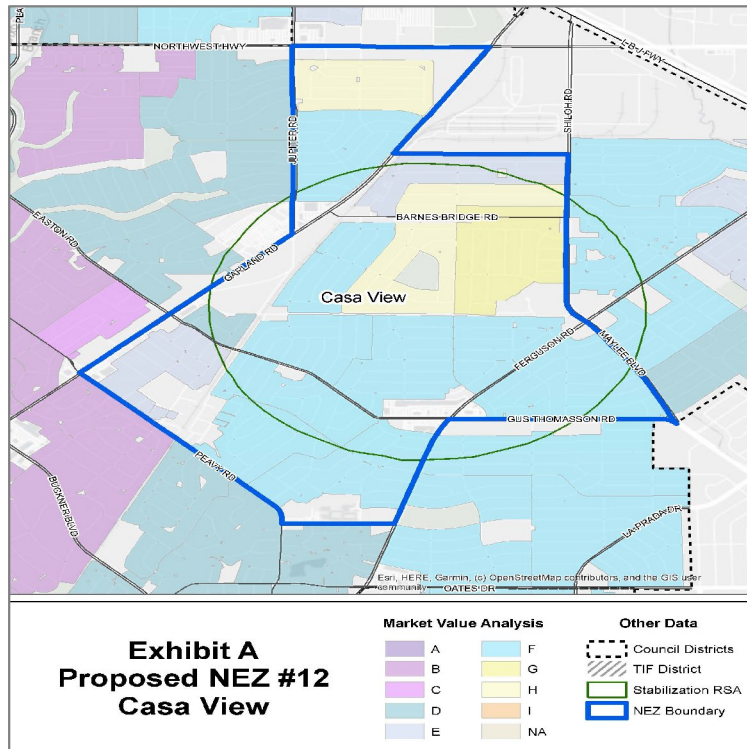


Geographic Boundaries - Proposed NEZ #11: LBJ Skillman



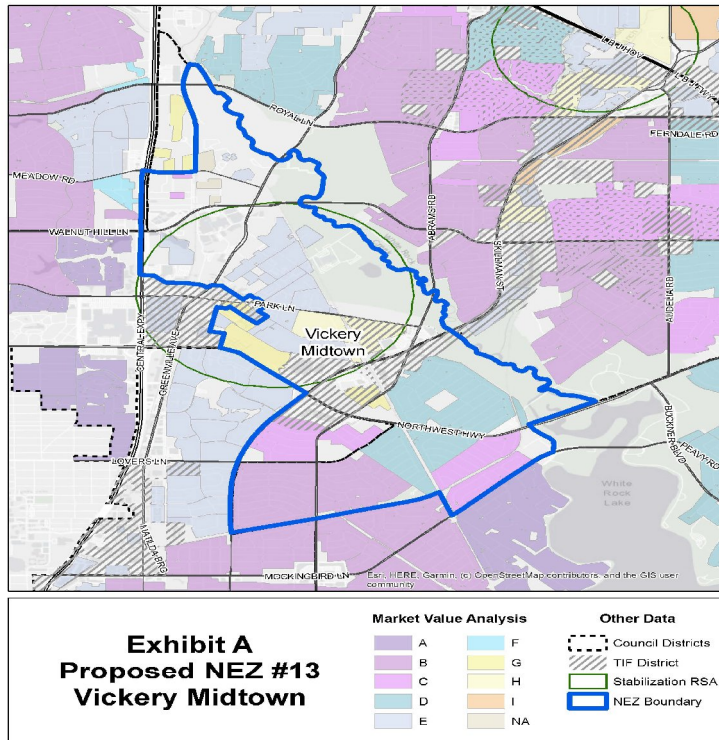
- 1,595 acres near the LBJ Skillman stabilization area
- Focused on single-family neighborhoods with homes in need of repair
- Generally bounded by LBJ Freeway, Abrams Road, Audelia Road, Forest Lane, Greenville Avenue, Royal Lane, and Cottonwood Creek
- Expanded west to include Hamilton Park and Stultz Road neighborhoods
- Small portion of NEZ overlaps with Skillman Corridor TIF District

Geographic Boundaries - Proposed NEZ #12: Casa View



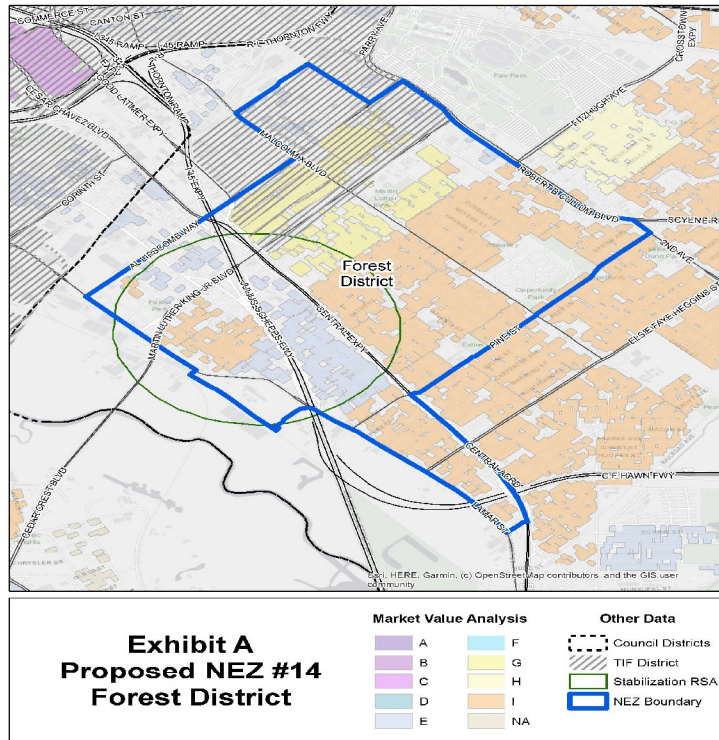
- 1,767 acres near the Casa View stabilization area
- Focused on single-family neighborhoods with homes in need of repair
- Generally bounded by Jupiter Road, Northwest Highway, Garland Road, Shiloh Road, Maylee Boulevard, Gus Thomasson Road, and Peavy Road
- No overlap with any TIF district

Geographic Boundaries - Proposed NEZ #13: Vickery Midtown



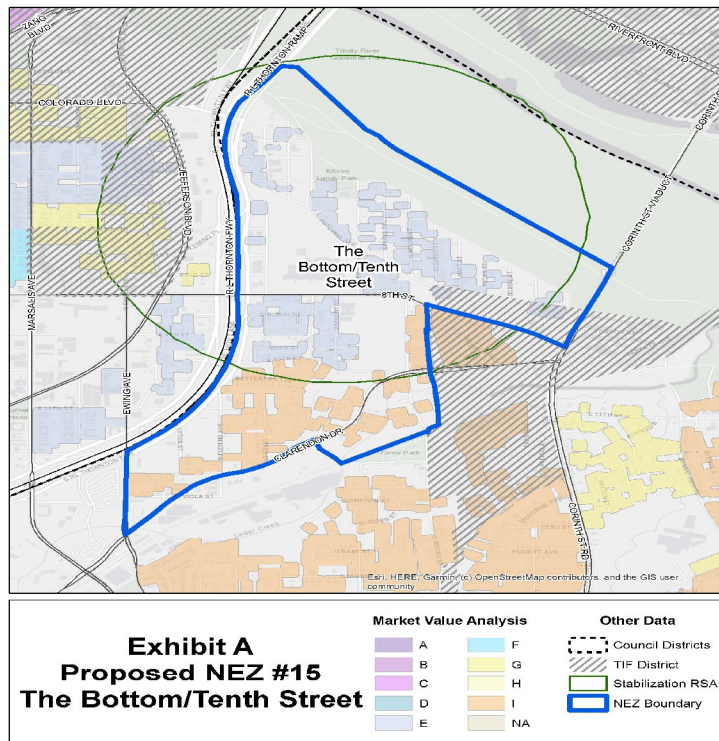
- 2,824 acres near the Vickery Midtown (formerly Vickery Meadow) stabilization area
- Generally bounded by White Rock Creek, Northwest Highway, Mockingbird Lane, Skillman Avenue, and US Highway 75
- Small portion of NEZ overlaps with Skillman Corridor TIF District
- NEZ is east of the Vickery Meadow TIF District

Geographic Boundaries - Proposed NEZ #14: Forest District



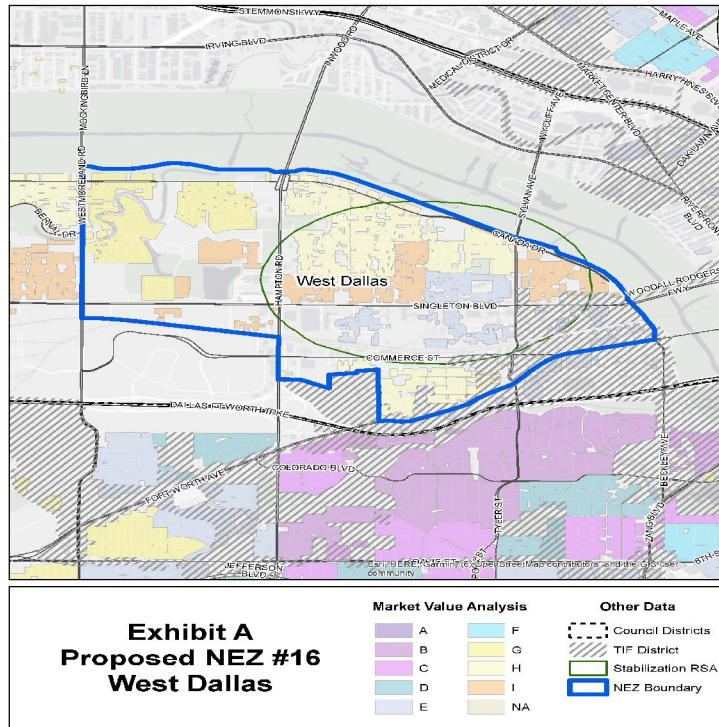
- 1,365 acres near the Forest District (formerly Forest Heights) stabilization area
- Focused on single-family neighborhoods with homes in need of repair and with vacant lots
- Generally bounded by Al Lipscomb Way, Malcolm X Boulevard, Robert B. Cullum Boulevard, Pine Street, Central Expressway, and Lamar Street
- Small portion of NEZ overlaps with the Grand Park South TIF District

Geographic Boundaries - Proposed NEZ #15: The Bottom/Tenth Street



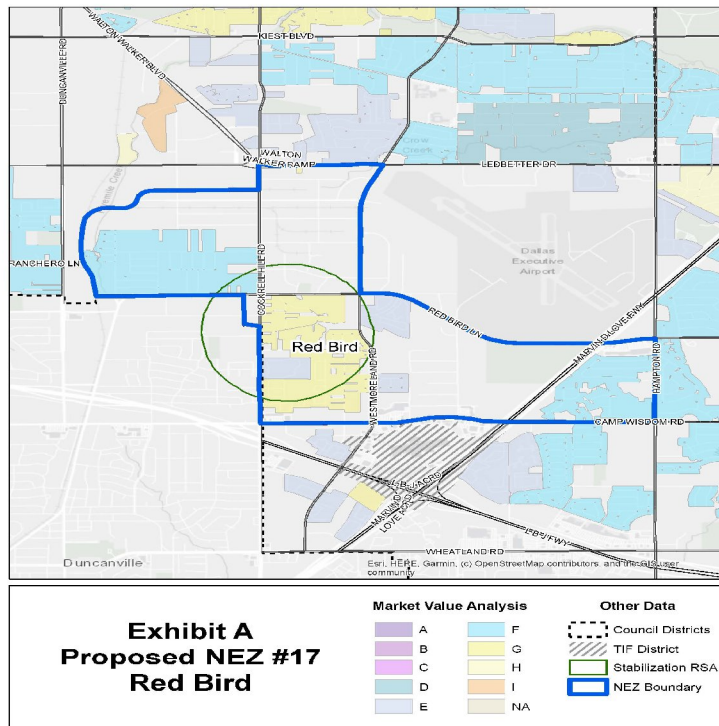
- 297 acres near the Bottom/Tenth Street stabilization area
- Focused on single-family neighborhoods with homes in need of repair and with vacant lots
- Generally bounded by Trinity River, Corinth Street, 8th Street, Ewing Avenue, and RL Thornton Freeway
- Small portion of NEZ overlaps the TOD TIF District

Geographic Boundaries - Proposed NEZ #16: West Dallas



- 2,293 acres near the West Dallas stabilization area
- Generally bounded by Canada Drive, Fort Worth Avenue, Hampton Road, and Westmoreland Road
- Small portion of NEZ overlaps both the Sports Arena and the Fort Worth Avenue TIF districts

Geographic Boundaries - Proposed NEZ #17: Red Bird North



- 1,807 acres near the Red Bird North stabilization area
- Generally bounded by Ledbetter Drive, Westmoreland Road, Red Bird Lane, Hampton Road, Camp Wisdom Road, and Cockrell Hill Road
- No overlap with any TIF district
- NEZ is north of the Westmoreland-IH 20 Subdistrict of the Mall Area TIF District

Program Management and Evaluation

- Residential NEZ program will be administered by Housing and Neighborhood Revitalization
- New module in Neighborly Software proposed to manage application process like the current HIPP home repair process
- Data on annual applications, completed development agreements, restrictive covenants, completed projects, and tax abatements (revenue foregone) will be collected and reported
- Program expected to support improvement of the City's annual score on the neighborhoods and infrastructure equity indicator



Legal Authority: Chapter 378

- NEZs are authorized by **Chapter 378** of the Texas Local Government Code
- **Purpose** - NEZs must promote:
 - Increased economic development in the zone,
 - Increase in the quality of social services, education, or public safety for residents of the zone, **or**
 - *Creation and/or rehabilitation of affordable housing* in the zone
- **Zone creation requirements** - the Council resolution creating the NEZ must:
 - Describe (map) the boundaries of the zone
 - Show that the NEZ promotes any of the items listed above
 - Show that the area of the proposed NEZ is distressed (for example, slows housing construction because of substandard structures, inadequate sidewalks, and unsafe conditions). The full list is in Chapter 312.202 of the Tax Code.

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Legal Authority: Chapter 378

- **Activities** allowed in a NEZ:
 - **Waive or adopt development fees**
 - Enter into **sales tax agreements** for not more than 10 years
 - Enter into **property tax abatement agreements** for not more than 10 years
- The program proposes a set of **property tax abatements** under Chapter 378



Legal Authority: Chapter 380

- Development fees are also a significant deterrent to construction in weaker housing market areas
 - But staff **recommends against waiving** fees and instead proposes fee **reimbursements** only **after all program requirements are met** and restrictive covenants are in place to ensure units are occupied by eligible households.
- Chapter 380 of the Local Government Code is very flexible and allows loans and grants of public money, including development fee reimbursements, provided the loans and grants promote economic development
- The program proposes **development fee reimbursements** using Chapter 380



Challenges

- State law limits tax abatements
 - Both new construction and repair qualify for development fee reimbursements and a tax abatement, but state law limits the abatement to only the added value (effectively a tax freeze), not a full abatement. This may limit applications for repair agreements
- Economics are only part of the housing construction equation. Also necessary:
 - Additional efficiencies in development review
 - New small-lot residential zoning district that responds to market realities
- Both items are on the housing policy's proposed 2020 workplan



Next Steps

- Recommend approval of the item for full Council consideration on January 22, 2020.
- Staff will bring forward to Council a second contract with Neighborly Software for implementation modules for this and other future programs
- Once the program application is available, staff will hold informational sessions in or near each of the neighborhood empowerment zones
- Updates on NEZ will be provided to the Housing and Homeless Solutions Committee



Appendix



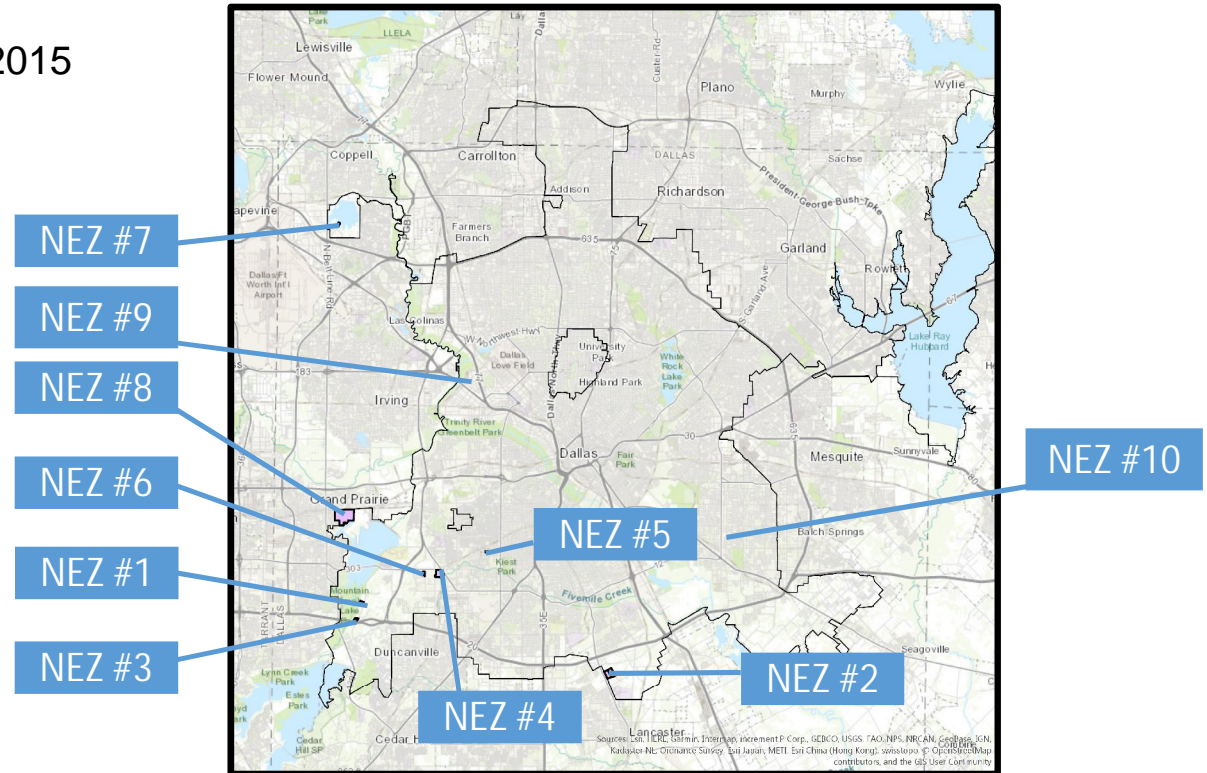
Commercial NEZ Program



Commercial Neighborhood Empowerment Zones (NEZs)

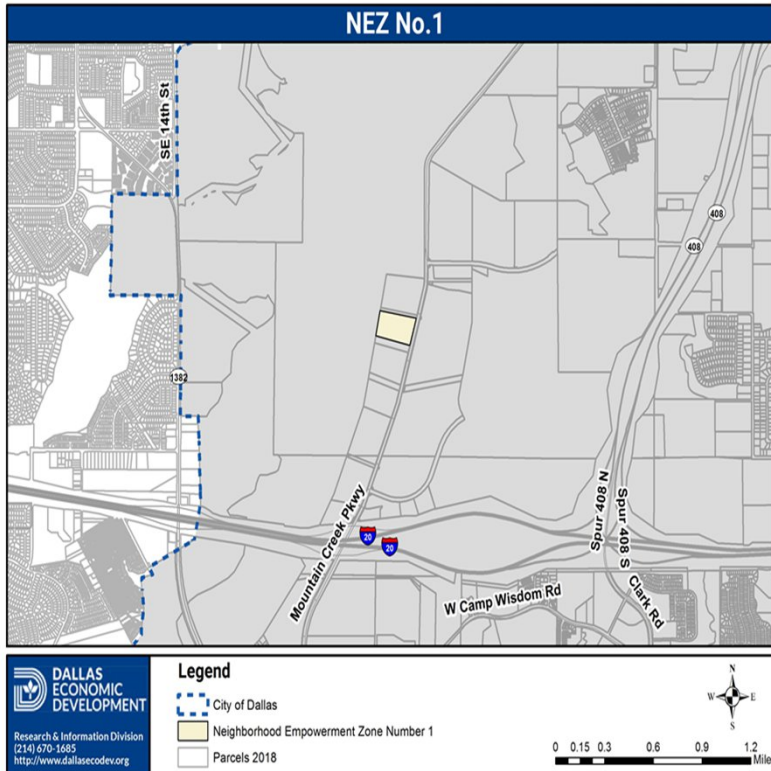
10 NEZs created by City Council since 2015

- 7 industrial
 - 1 office
 - 2 mixed use (office, retail, flex, industrial)
-
- 8 were created to support specific projects
 - 2 were created to encourage increased economic development in specific areas



Commercial Neighborhood Empowerment Zones (as of January 8, 2020)												
NEZ	City Council District	Size of NEZ (acres)	Project Name/Entity Name	Project Type	Resolution Number	Resolution Date	Real Property Abatement	Business Personal Property Abatement	Minimum Investment Required	Minimum Jobs Required	Minimum Occupancy Required	Details
1	3	15	PIHV Mountain Creek, LLC (CarbonLITE Recycling)	manufacturing	15-0290; 17-0267	2/11/2015; 2/8/2017	n/a	75%, 8 years	\$5,000,000	100 (create)	n/a	City Council originally designated NEZ No. 1 in 2015 in conjunction with a 75%/8-year real property tax abatement to facilitate speculative development of a manufacturing building in the Mountain Creek Business Park by PIHV Mountain Creek. The real property tax abatement was rescinded in 2017 with City Council's approval of new business personal property tax abatement in NEZ #1 to support new tenant's (CarbonLITE) establishment of new manufacturing operation in the building; project is complete (actual investment was \$8.06 million and actual job created was 134 jobs); \$205,536 abated in 2019.
2	8	128	DallParc I-20 Logistics, LLC	logistics	15-0858; 15-0859	5/13/2015	90%, 10 years	n/a	\$22,500,000	n/a	75%	City Council authorized the designation of NEZ No. 2 in conjunction with a 90%/10-year real property tax abatement to facilitate speculative development of a logistics building in the International Inland Port; project is complete (actual investment was \$24.75 million); tenant is currently Amazon (500+ jobs); \$286,323 abated in 2019.
3	3	11	TC Mt. Creek Development, LP	logistics	15-1071; 15-1072	6/10/2015	75%, 8 years	n/a	\$7,000,000	n/a	70%	City Council authorized the designation of NEZ No. 3 in conjunction with a 75%/8-year real property tax abatement to facilitate speculative development of a logistics building in the Mountain Creek Business Park; project is complete (actual investment was \$8.46 million); tenant is currently the Cummins Regional Distribution Center (58 jobs); \$50,659 abated in 2019.
4	3	71	Frito-Lay Inc. and Rolling Frito-Lay Sales, LP	logistics	16-0104; 16-0105	1/13/2016	n/a	75%, 8 years	\$60,000,000	150 (retain); 80 (create)	n/a	City Council authorized the designation of NEZ No.4 in conjunction with a 75%/8-year business personal property tax abatement to facilitate the renovation and expansion of Frito Lay's logistics facility. Agreement was never executed; after City Council's approval of the abatement, the company decided to change the project; the abatement has not been earned.
5	3	7	SVC Manufacturing (Gatorade)	manufacturing	16-1222; 16-1223	8/10/2016	n/a	50%, 8 years	\$25,000,000	200 (retain); 18 (create)	n/a	City Council authorized the designation of NEZ No. 5 in conjunction with a 50%/8-year business personal property tax abatement to facilitate the expansion of the Gatorade beverage manufacturing operation. Project is complete, however, agreement was terminated 9/13/18 because company did not comply with all requirements of agreement to earn the abatement.
6	3	14	WWF Operating Company (WhiteWave Foods/Danone)	manufacturing	18-0999; 18-1000	6/27/2018	n/a	50%, 5 years	\$7,500,000	45 (create)	n/a	City Council authorized the designation of NEZ No. 6 in conjunction with a 50%/5-year business personal property tax abatement to facilitate the establishment of a new food production operation in the Red Bird Industrial Park West. Agreement is executed. Project is underway.
7	8	17	Nokia of America Corporation	corporate office/HQ	18-1002	6/27/2018	n/a	50%, 5 years	\$83,000,000	2,300 (retain); 1,000 (create)	n/a	City Council authorized the designation of NEZ No. 7 in conjunction with a 50%/5-year business personal property tax abatement to facilitate the creation of Nokia's new North American Headquarters in the Cypress Waters area. Agreement not yet executed. Project is underway.
8	3	315	Northpoint/Home Depot	logistics	18-1863	12/12/2018	90%, 10 years	50%, 5 years	\$110,000,000	500 (create)	51% (both buildings)	City Council authorized the designation of NEZ No. 8 in conjunction with a 90%/10-year real property tax abatement and a 50%/5-year business personal property tax abatement to facilitate the creation of a new build-to-suit office and logistics facility in the Dallas Global Industrial Center. Agreement not yet executed. Project is underway.
9	6	390	Kings Row/Empire Central area	n/a	19-0723	5/8/2019	n/a	n/a	n/a	n/a	n/a	NEZ No. 9 was designated by City Council in May 2019 for the commercial area generally bounded by SH 183, I-35, and Regal Row to create a customized economic development program for small businesses and facilitate possible future economic development projects in the area around the future Salvation Army campus.
10	5,8	373	Pleasant Grove area	n/a	19-0948	6/12/2019	n/a	n/a	n/a	n/a	n/a	NEZ No. 10 was designated by City Council in June 2019 for the commercial corridor along Buckner Boulevard and Great Trinity Forest Way to create a customized economic development program for small businesses and facilitate possible future economic development projects in the Pleasant Grove area.

Commercial NEZ Program - NEZ No. 1



- In 2015, City Council originally designated NEZ No. 1 in conjunction with a 75%, 8-year real property tax abatement to facilitate the speculative development of a manufacturing building in the Mountain Creek Business Park by PIHV Mountain Creek, LLC
- In 2017, the real property tax abatement was rescinded with City Council's approval of new business personal property tax abatement in NEZ #1 to support a new tenant's (CarbonLITE Recycling) establishment of new manufacturing operation in the building
- Project is complete
 - minimum required investment: \$5 million
 - actual investment: \$8.08 million
 - minimum required jobs to be created: 100
 - actual jobs created: 134 jobs
- \$205,536 abated in 2019

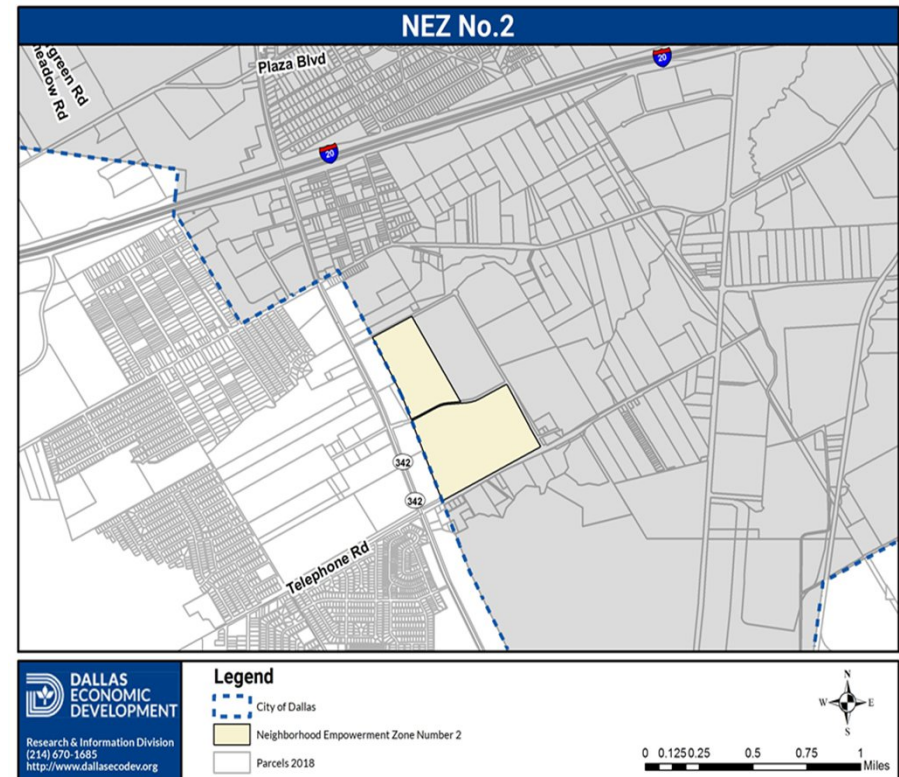


Commercial NEZ Program - NEZ No. 2

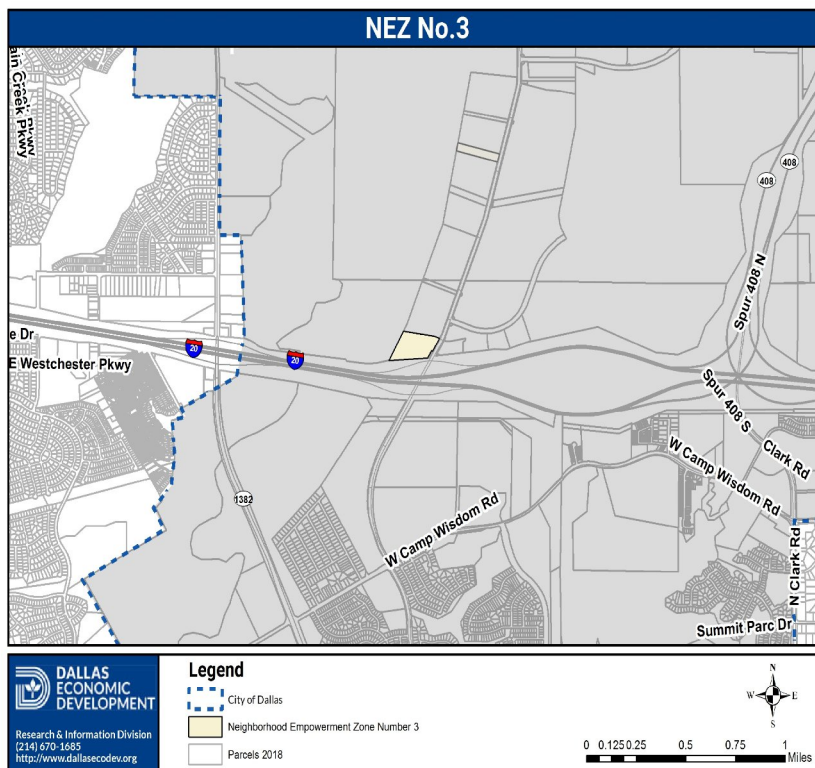
- In 2015, City Council authorized the designation of NEZ No. 2 in conjunction with a 90%/10-year real property tax abatement to facilitate the speculative development of a logistics building in the International Inland Port by DalParc I-20 Logistics, LLC
- Project is complete
 - minimum required investment: \$22.5 million
 - actual investment: \$24.75 million
 - minimum required occupancy: 75%
 - actual occupancy: 100%
 - tenant is currently Amazon (500+ jobs)
- \$286,323 abated in 2019



Credit: CoStar



Commercial NEZ Program - NEZ No. 3



- In 2015, City Council authorized the designation of NEZ No. 3 in conjunction with a 75%/8-year real property tax abatement to facilitate the speculative development of a logistics building in the Mountain Creek Business Park by TC Mt. Creek Development, LP
- Project is complete
 - minimum required investment: \$7 million
 - actual investment: \$8.46 million
 - minimum required occupancy: 70%
 - actual occupancy: 100%
 - tenant is currently Cummins Regional Distribution Center (58 jobs)
- \$50,659 abated in 2019



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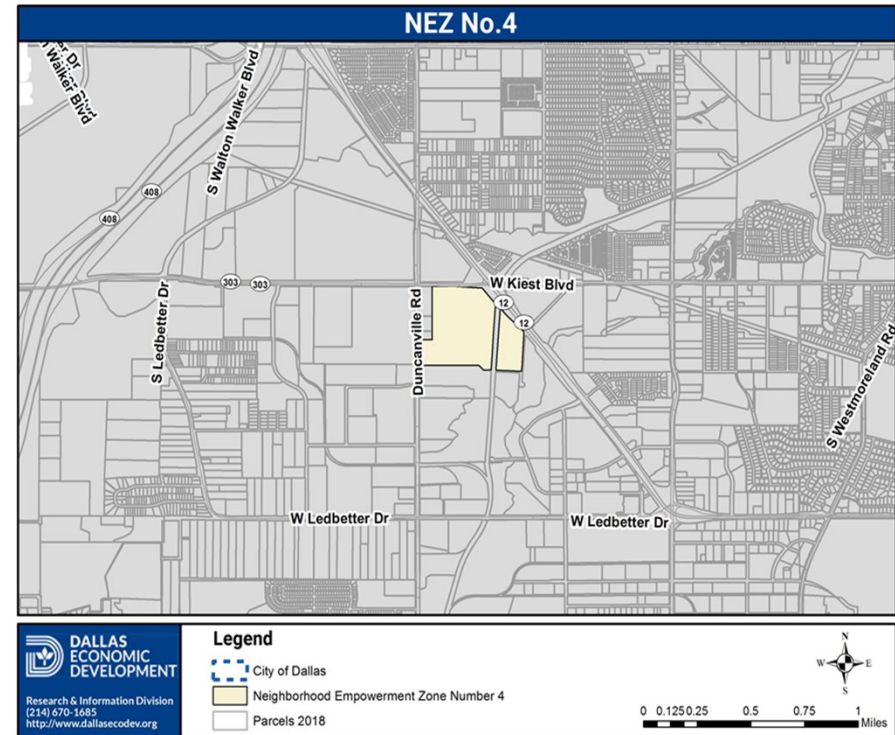
Credit: CoStar

Commercial NEZ Program - NEZ No. 4

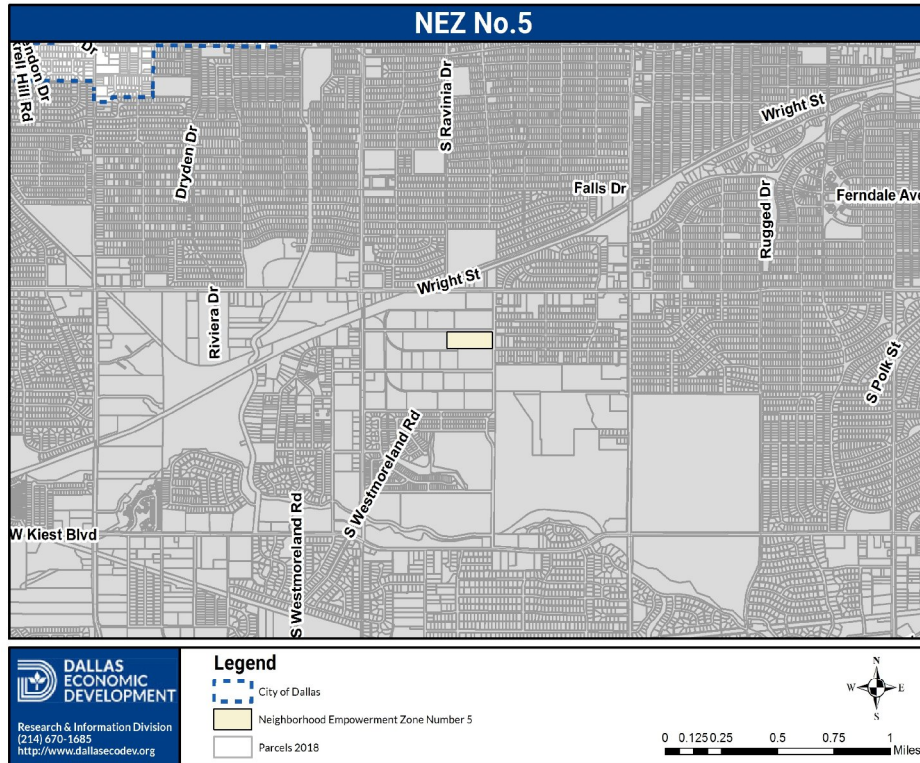
- In 2016, City Council authorized the designation of NEZ No. 4 in conjunction with a 75%/8-year business personal property tax abatement to facilitate the renovation and expansion of Frito Lay's logistics facility
- In consideration for the abatement, Frito Lay would have been required to invest \$60 million, retain 150 jobs, and create 80 new jobs
- Months after City Council's approval of the abatement, the company decided to change the scope of the project
- Abatement agreement was never executed



Credit: CoStar



Commercial NEZ Program - NEZ No. 5



- In 2016, City Council authorized the designation of NEZ No. 5 in conjunction with a 50%/8-year business personal property tax abatement to facilitate the expansion of the Gatorade beverage manufacturing operation
- In consideration for the abatement, the company (SVC Manufacturing/PepsiCo) was required to invest \$25 million, retain 200 jobs, and create 18 new jobs
- Project is complete; however, the agreement was terminated in September 2018 because the company did not comply with all requirements of agreement to earn the abatement



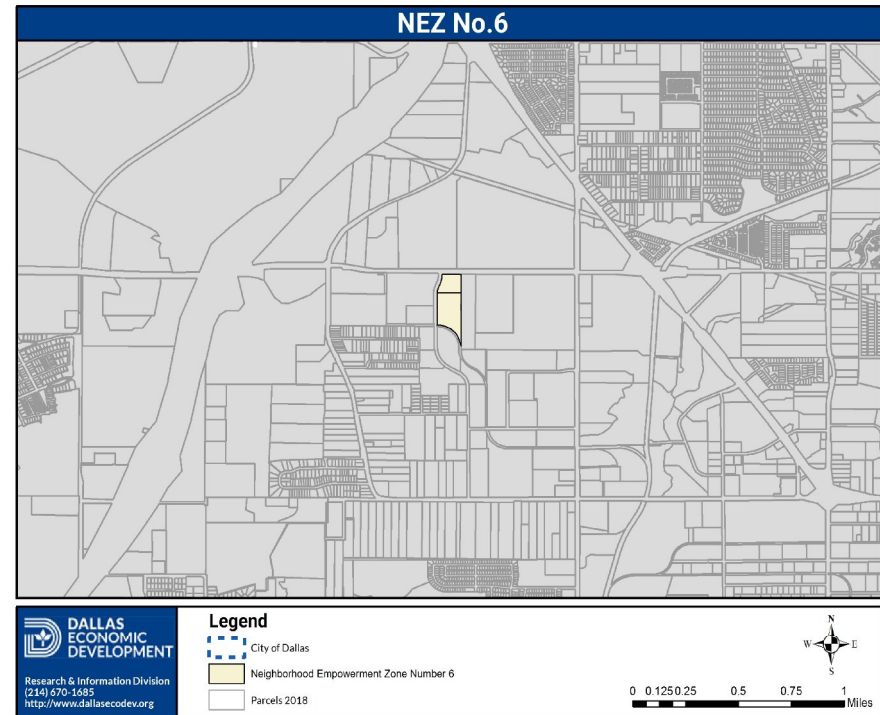
Credit: CoStar

Commercial NEZ Program - NEZ No. 6

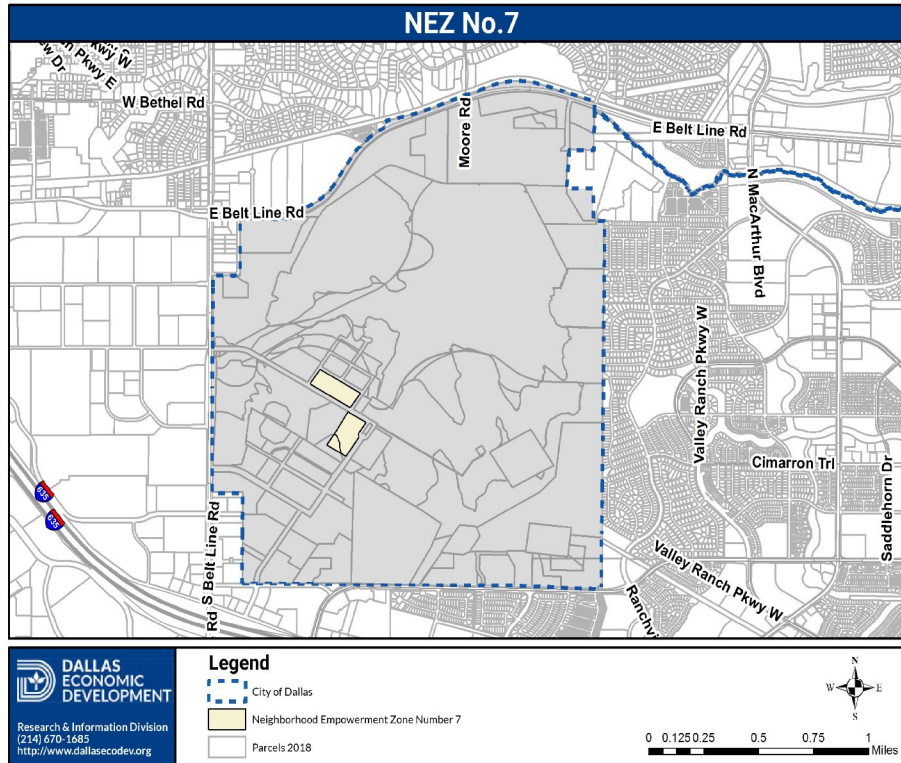
- In 2018, City Council authorized the designation of NEZ No. 6 in conjunction with a 50%/5-year business personal property tax abatement to facilitate WWF Operating Company's establishment of a new food production operation in Red Bird Industrial Park West
- City Council also authorized an economic development grant not to exceed \$150,000
- In consideration for the abatement and grant, the company (aka WhiteWave Foods/Danone) is required to invest \$7.5 million and create 45 new jobs
- Agreement is executed and the project is underway



Credit: CoStar



Commercial NEZ Program - NEZ No. 7



- In 2018, City Council authorized the designation of NEZ No. 7 in conjunction with a 50%/5-year business personal property tax abatement to facilitate the creation of Nokia's new North American Headquarters in the Cypress Waters area
- City Council also authorized:
 - sales tax grant not to exceed \$1.65 million
 - job creation grant not to exceed \$1.5 million
 - local hiring grant not to exceed \$1.0 million
- Requirements to earn the full incentive package:
 - minimum investment: \$83 million
 - minimum job retention and relocation (from Irving and Plano): 2,300 jobs
 - minimum job creation: 1,000 new jobs
- Agreement not yet executed; project is underway.



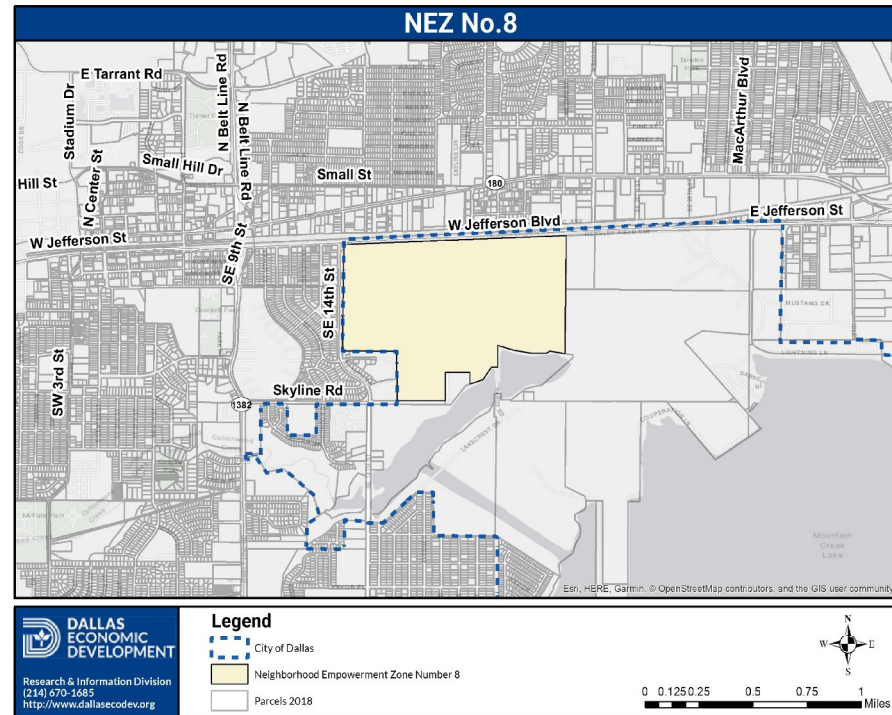
Credit: CoStar

Commercial NEZ Program - NEZ No. 8

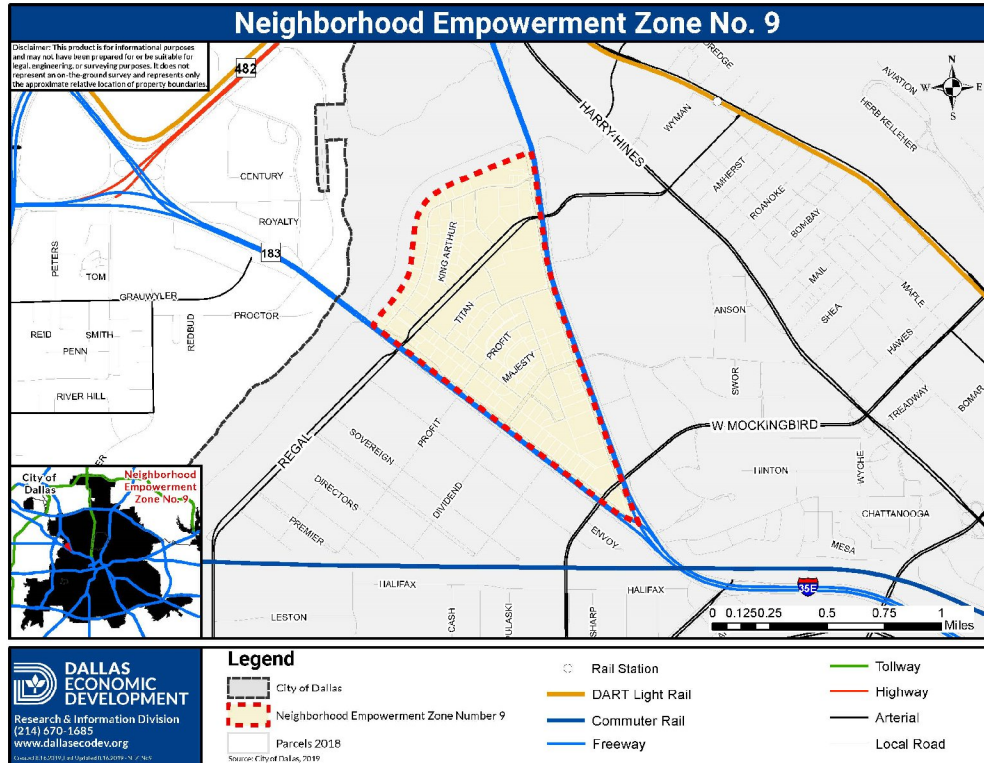
- In 2018, City Council authorized the designation of NEZ No. 8 in conjunction with a 90%/10-year real property tax abatement and a 50%/5-year business personal property tax abatement to facilitate the creation of a new build-to-suit office and logistics facility within the Dallas Global Industrial Center
- Owner/Developer: NorthPoint Development
- Tenant: Home Depot
- Requirements to earn the incentive package:
 - minimum investment: \$110 million
 - minimum job creation: 500 new jobs
 - minimum occupancy: 51% (both buildings)
- Agreement not yet executed; project is underway.



Credit: CoStar



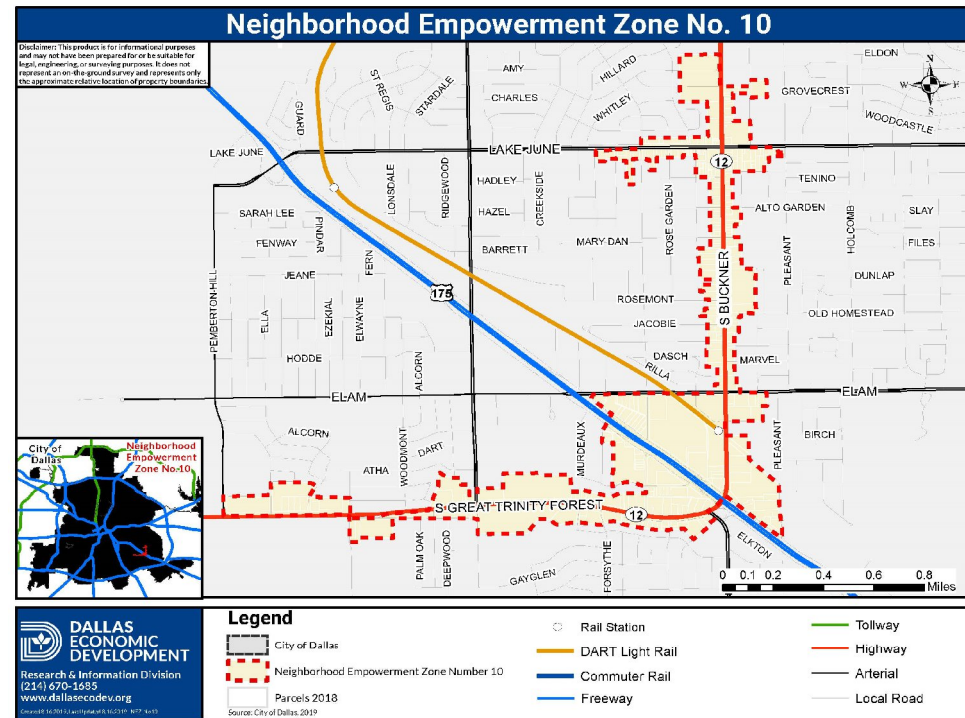
Commercial NEZ Program - NEZ No. 9



- In May 2019, City Council authorized the designation of NEZ No. 9 for the commercial area generally bounded by SH 183, I-35, and Regal Row
- Purpose: to create a customized economic development program for small businesses and facilitate possible future economic development projects in the area around the future Salvation Army campus
- Minimum eligibility requirements were reduced from the standard criteria in the City's Public/Private Partnership Program:
 - create/retain at least 10 jobs; or
 - provide at least \$250,000 private investment

Commercial NEZ Program - NEZ No. 10

- In June 2019, City Council authorized the designation of NEZ No. 10 for the commercial corridor along Buckner Boulevard and Great Trinity Forest Way
- City Council also authorized the dedication of \$1 million (Council District 5 discretionary allocation of 2017 GO bond funds from Proposition I: Eco Dev & Housing) to support possible future projects specifically in NEZ No. 10
- Purpose: to create a customized economic development program for small businesses and facilitate possible future economic development projects in the Pleasant Grove area
- Minimum eligibility requirements were reduced from the standard criteria in the City's Public/Private Partnership Program:
 - create/retain at least 5 jobs; or
 - provide at least \$75,000 private investment



Residential NEZ Program – Additional Information



Residential NEZ Economic Impact - Dallas' Share

Annual Starts Single Family Under \$300,000*			
Year Ending	Dallas	DFW	% of Total
3Q01	1,660	33,313	5%
3Q02	2,063	35,965	6%
3Q03	1,655	35,494	5%
3Q04	1,895	40,173	5%
3Q05	2,174	39,814	5%
3Q06	2,178	43,303	5%
3Q07	1,513	28,499	5%
3Q08	812	18,078	4%
3Q09	352	11,789	3%
3Q10	361	12,832	3%
3Q11	443	10,120	4%
3Q12	370	11,276	3%
3Q13	326	13,071	2%
3Q14	228	12,716	2%
3Q15	271	13,274	2%
3Q16	313	14,225	2%
3Q17	446	15,302	3%
3Q18	343	17,086	2%
3Q19	412	17,366	2%

- **Take away:** Dallas is realizing only a tiny fraction of the new middle-income home construction in the Metroplex.

*Data courtesy of MetroStudy

Residential NEZ - Fiscal Impact

Cost/Benefit Analysis			
	New	Renovations	Total
Private investment	\$18,750,000	\$6,250,000	\$25,000,000
Development fee reimbursements	\$750,000	\$250,000	\$1,000,000
Property tax revenue lost - first year	\$110,700	\$24,000	\$134,700
Property tax revenue lost - 10 years	\$1,480,725	\$395,250	\$1,875,975
Total cost - 10 years	\$2,230,725	\$645,250	\$2,875,975
Public/private leverage	12%	10%	12%

Assumptions	
New construction:	Renovation:
75 new homes	125 renovated homes
\$250K house on \$50K land (\$300k total)	\$50K house on \$50K land
Homestead exemption	\$50,000 investment, 100% realized by DCAD
5% annual growth	5% annual growth
\$10,000 development fee	\$2,000 development fee

- Proposed funding of \$1,000,000 could support development fee reimbursements for
 - 75** new, \$300,000 homes (affordable to families under 120% AMI) and
 - 125** individual renovation projects
- Total cost, including lost revenue, is \$2.8M
 - See chart to left for assumptions

Residential NEZ - Fiscal Impact

Impact - New Construction Only – NAHB 2013 data	
Private investment	\$18,750,000
First year impacts	
Local income (wages, salaries, and business income)	\$14,400,242
Government revenue (all jurisdictions, net abatement)	\$1,630,663
Annual ongoing impacts	
Local income (wages, salaries, and business income)	\$2,741,379
Net government revenue (all jurisdictions, net abatement)	\$579,979

*Source:

The National Association of Home Builders, 2013. *The Metro Area Impact of Home Building in Dallas, Texas: Income, Jobs, and Taxes Generated*
Latest data currently available. Dallas MSA includes Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall counties.

- The chart to the left shows NAHB data showing direct, indirect, and induced economic effects of only the new construction.
- The region sees \$14 million in new local income and \$1.6 million in additional government revenue from the construction alone.
- The City of Dallas would get a significant share of that, depending on the location of suppliers and workers.

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Tax Abatement & New Tax Revenue – New Construction

3% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$0	\$50,000	\$388	\$0
At completion	\$51,500	\$250,000	\$300,000	\$388	\$1,476

10th year	\$67,196	\$326,193	\$393,389	\$388	\$2,056
11th year	\$69,212	\$335,979	\$405,191	\$2,518	\$0

20 th year	\$90,306	\$438,377	\$528,682	\$3,285	\$0
Total				\$33,134	\$17,584

5% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$0	\$50,000	\$388	\$0
At completion	\$52,500	\$250,000	\$300,000	\$388	\$1,476

10th year	\$81,445	\$387,832	\$469,277	\$388	\$2,528
11th year	\$85,517	\$407,224	\$492,741	\$3,827	\$0

20 th year	\$132,665	\$631,738	\$764,402	\$5,937	\$0
Total				\$42,781	\$19,743

Note: Agreements estimated to be worth more than \$50,000 must go to Council for individual consideration.

Tax Abatement & New Tax Revenue – Minimal Renovation

3% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$75,000	\$125,000	\$777	
At completion	\$51,500	\$77,250	\$128,750	\$777	\$33

10th year	\$67,196	\$100,794	\$167,990	\$777	\$267
11th year	\$69,212	\$103,818	\$173,029	\$1,075	\$0

20 th year	\$90,306	\$135,458	\$225,764	\$1,402	\$0
Total				\$20,869	\$1,404

5% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$75,000	\$125,000	\$777	
At completion	\$51,500	\$78,750	\$130,250	\$777	\$33

10th year	\$67,196	\$122,167	\$189,363	\$777	\$400
11th year	\$69,212	\$128,275	\$197,487	\$1,227	\$0

20 th year	\$90,306	\$198,997	\$289,303	\$1,798	\$0
Total				\$23,499	\$2,056

Note: Agreements estimated to be worth more than \$50,000 must go to Council for individual consideration.

Tax Abatement & New Tax Revenue – Significant Renovation

3% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$50,000	\$100,000	\$621	
At completion	\$51,500	\$100,000	\$151,500	\$621	\$320

10th year	\$67,196	\$130,477	\$197,673	\$621	\$607
11th year	\$69,212	\$134,392	\$203,603	\$1,265	\$0

20 th year	\$90,306	\$175,351	\$265,656	\$1,6513	\$0
Total				\$21,338	\$4,578

5% Property Growth Rate					
New Construction	Land Value	Improvement Value	Total	City Tax	Amount Abated
Initial	\$50,000	\$50,000	\$100,000	\$621	
At completion	\$51,500	\$100,000	\$151,500	\$621	\$320

10th year	\$67,196	\$155,133	\$222,329	\$621	\$760
11th year	\$69,212	\$162,889	\$232,101	\$1,442	\$0

20 th year	\$90,306	\$252,695	\$343,001	\$2,131	\$0
Total				\$30,619	\$5,270

Note: Agreements estimated to be worth more than \$50,000 must go to Council for individual consideration.

Development Expenses Eligible for up to \$15k Grant

- Development and permit fees in Section 52.300 of the Dallas City Code, with exceptions
- Zoning and platting fees in Chapter 51A-1.105 of the Dallas Development Code
- Dallas Water Utility fees related to water and sewer service required for the development
- Costs associated with completing a tree survey as required in Chapter 51A-10 of the Dallas Development Code
- Additional professional services related to tree preservation at the discretion of the Director

Proposed Amendment to the Comprehensive Housing Policy to Create a Residential Neighborhood Empowerment Zone (NEZ) Program and Zones

City Council

January 15, 2020

**David Noguera, Director
Pam Thompson, Housing Policy Task Force Administrator
Housing & Neighborhood Revitalization Department**

**Courtney Pogue, Director
Office of Economic Development**



City of Dallas