

Proposed Comprehensive Housing Policy 2020 Work Plan

Housing & Homelessness Solutions Committee

January 14, 2020

**David Noguera, Director
Department of Housing & Neighborhood
Revitalization**

**Pam Thompson, Housing Policy Task Force
Administrator
Department of Housing & Neighborhood
Revitalization**



Summary

- Background
- Work Plan Initiatives
- Issues
- Next Steps

Background

- The City's Comprehensive Housing Policy is designed to be comprehensive – including initiatives (programs, policies, and strategies) that fulfill the three main goals of the CHP.
 - The CHP includes details for existing initiatives and outlines potential initiatives
 - But - CHP does not currently include a process for *developing or prioritizing new initiatives*
 - Staff therefore seeks direction on prioritization of potential initiatives to be developed and existing initiatives to be amended in 2020.

Background – Council and Stakeholder Input

- The Committee was briefed on potential 2020 work plan initiatives on November 5, 2019
- The steering committee of the housing policy task force was briefed on this work plan on October 29, 2019 and December 17, 2019
- Additional feedback was gathered from:
 - Individual meetings with Council members and city manager
 - Housing policy task force (HPTF) members
 - Internal staff discussion

Background- Work Plan Categories

- 2020 work plan has the following organizing structure:
 - **New Development** (rental and owner-occupied) – initiatives that increase new housing supply
 - **Affordability Preservation** – initiatives that preserve affordable housing and that prevent displacement
 - **Neighborhood Investment** – geographic-based initiatives
 - **Homeless Housing Strategy** – strategies that prevent and address homelessness
 - **Funding and Supporting Actions** – funding, legislative initiatives, and other actions that seek support from beyond the confines of the city
- Potential initiatives that were proposed in the original CHP are designated with (CHP) on each slide. Additional initiatives originated from the city manager, council members, and conversations with stakeholders.

Background- Process to Develop New Initiatives

- **Staff research** – best practices, lessons learned, stakeholder interviews, focus group discussion, staff discussions, etc.
- **Housing Policy Task Force (HPTF) review** – brief HPTF steering committee, hold broader task force discussion and listening meeting(s), develop initiative, brief HPTF steering committee again on staff recommendation, refine initiative as needed
- **Zoning Ordinance Advisory Committee (ZOAC) and City Plan Commission (CPC) review** – as needed for development code-related items
- **Council committee briefing**– either Housing and Homelessness Solutions or Economic Development Committee, as applicable
- **Council review** and consideration
- **Implementation**, including application development, guideline creation, and marketing

Work Plan Initiatives

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Work Plan Initiative – Eligibility Matrix

- The slide for each initiative includes a portion of the eligibility matrix
- Yellow represents eligibility for that initiative; gray shows ineligibility or eligibility not yet determined.

		Market Value Analysis Based Strategy											
Initiatives		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEW DEVELOPMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Accessory Dwelling Units	Rental												
	Owner												
Streamlined Permitting	Rental												
	Owner												
Small Lot Single Family Zoning	Rental												
	Owner												
Voucher Set-Aside (Chapter 20A)	Rental												
	Owner												
AFFORDABILITY PRESERVATION		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Affordable Housing Unit Portal	Rental												
	Owner												
Targeted Home Improvement Program	Rental												
	Owner												
Tenant Rights	Rental												
	Owner												
HOMELESS HOUSING STRATEGY		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Demonstration Projects	Rental												
	Owner												
NOFA Mixed-Income Facilities	Rental												
	Owner												
NEIGHBORHOOD INVESTMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Neighborhood Empowerment Zones	Rental												
	Owner												
Neighborhood Revitalization Strategy Areas	Rental												
	Owner												
Nuisance Property Acquisition	Rental												
	Owner												
FUNDING & SUPPORTING ACTIONS		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Marketable Housing Credit	Rental												
	Owner												
Fee in Lieu	Rental												
	Owner												
Public Facilities Corporation	Rental												
	Owner												

New Development – Streamlined Permitting

- **Issue:** Excess time spent during the permitting process increases construction costs, increases associated financial risk, and can dampen housing production. (CHP)
- **Progress to date:** Sustainable Development and Construction (SDC) has been hosting a Blue-Ribbon Committee to discuss and implement process improvement ideas
- **Focus/outcome:** Identify and address areas of concern in the development review process that dampen new real estate investment in the city
- **Timeline:** ongoing
- **Lead department:** Sustainable Development and Construction Department (SDC)

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEW DEVELOPMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Streamlined Permitting	Rental												
	Owner												

New Development- Small Lot Single-Family Zoning

- **Issue:** High land prices affect finished new home prices, and the smallest current residential zoning district is R-5(A), with a minimum size of 5,000 square feet. Minimum lot requirements larger than the market demands create potentially unnecessary regulatory barriers to construction of homes for middle- and lower-income households.
- **Progress to date:** Staff conversations with home builders indicates deep interest in zoning for smaller lots as alternative to shared-access development or new planned development districts
- **Focus/outcome:** Convene home builders, other stakeholders, and staff to determine recommendations for parameters for a new, smaller single-family residential zoning district
- **Estimated timeline:** 12-18 months from initial research to Council consideration
- **Lead department:** SDC

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEW DEVELOPMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Small Lot Single Family Zoning	Rental												
	Owner												

New Development – Voucher Set-Aside (Ch 20A-4.1)

- **Issue:** Ch 20A-4.1 was amended in 2016 to require multifamily development that benefits from a financial award from the City to set aside 10% of the units and lease those **solely** to voucher holders. This change dampened developer interest in TIF incentives for mixed-income development.
- **Progress to date:** initial research and stakeholder input begun
- **Focus/outcome:** Amend Chapter 20A-4.1 to incentivize housing production while ensuring voucher acceptance in developments receiving a financial award from the City
- **Estimated timeline:** 12 months from initial research to Council consideration
- **Lead department:** Office of Economic Development (ECO) and Department of Housing & Neighborhood Revitalization (HOU)

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEW DEVELOPMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Voucher Set-Aside (Chapter 20A)	Rental												
	Owner												

New Development – Accessory Dwelling Units (ADU)

- **Issue:** Current ADU placement: case-by-case review or by neighborhood petition (CHP)
- **Progress to date:** initial research and stakeholder input begun
- **Focus/outcome:** Explore expanded zoning options for ADUs, which can be a source of income for homeowners and an affordable place to live for renters, including on property where the main use is a place of worship (Sec. 51A-4.204(4) Church)
- **Estimated timeline:**
 - HHS briefing: tentatively spring 2020. Research/next steps: pending HHS direction
- **Lead department:** SDC

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEW DEVELOPMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Accessory Dwelling Units	Rental												
	Owner												

Affordability Preservation – Affordable Housing Unit Portal

- **Issue:** Market-rate housing locator software is not generally optimized to match income-qualified units and qualified households
- **Progress to date:** HPTF stakeholder meetings, initial specifications developed, and potential software identified
- **Focus/outcome:** Research software implementation, optimize for Dallas, and encourage participation by owners and qualified households
- **Estimated timeline:** 12 months to full implementation
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
AFFORDABILITY PRESERVATION		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Affordable Housing Unit Portal	Rental												
	Owner												

Affordability Preservation – Targeted Home Repair

- **Issue:** Targeted programs allow the City to craft specific guidelines to address unique home repair situations. For example, targeted home repair programs may address the needs of historic districts, gentrifying neighborhoods, or homes with code violations. (CHP)
- **Progress to date:** Current focus is on West Dallas, Tenth Street Historic District and using the Dallas Tomorrow Fund to address code violations when homeowners have financial constraints that hinder home repair
- **Focus/outcome:** Determine eligibility, funding mechanisms, and implementation for this new set of targeted home repair programs
- **Estimated timeline:** Initial research has begun; four months to Council consideration
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
AFFORDABILITY PRESERVATION		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Targeted Home Improvement Program	Rental												
	Owner												

Affordability Preservation – Tenants’ Rights

- **Issue:** Demand for housing outstrips supply, often leaving vulnerable families without shelter and exacerbating the City’s homelessness crisis
- **Progress to date:** Initial HPTF meetings held; wide variety of potential initiatives discussed
- **Focus/outcome:** Research current gaps in tenant protection regulations and tools. Recommend additional programs/tools and amendments to City regulations. Recommend new state legislation as needed.
- **Estimated timeline:** Varies by proposed recommendation. 12+ months from initial research to Council consideration
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
AFFORDABILITY PRESERVATION		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Tenant Rights Ordinance	Rental												
	Owner												

Neighborhood Investment – Neighborhood Empowerment Zones

- **Issue:** Stabilization Areas lack affordable housing options for middle-income households and current residents are at risk of displacement (CHP)
- **Progress to date:** Residential neighborhood empowerment zone (NEZ) program and seven districts scheduled for Council consideration January 22, 2020. Program includes single family, duplex, and multifamily owner-occupied development/renovation as well as single family and duplex rental development/renovation.
 - **Note:** This program does not include incentives for rental multifamily development or renovation.
- **Focus/outcome:** Council consideration of program in January 2020
- **Estimated timeline:** Council review: January 2020. Implementation: early 2020
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEIGHBORHOOD INVESTMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Neighborhood Empowerment Zones	Rental												
	Owner												

Neighborhood Investment – Neighborhood Revitalization Strategy Areas

- **Issue:** Expediting redevelopment efforts in reinvestment strategy areas requires greater efficiency in allocating available funds and leveraging private investments.
- **Progress to date:** The Bottom/10th Street, Forest Heights and West Dallas are Stabilization Areas targeted for public and private investments which supports NRSA designations.
- **Focus/outcome:** Secure HUD approval to use CDBG funds in a more flexible manner for economic development, housing, and public service activities.
- **Estimated timeline:** 6 months
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEIGHBORHOOD INVESTMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Neighborhood Revitalization Strategy Areas	Rental												
	Owner												

Neighborhood Investment – Nuisance Property Acquisition

- **Issue:** Nuisance properties exacerbate conditions in distressed neighborhoods. Acquiring and changing the use of a property can have beneficial effects beyond the target property.
- **Progress to date:** initial research and data gathering has begun
- **Focus/outcome:** Analyze existing nuisance properties and create a strategy – including a funding source - for the City to focus on acquiring key properties in order to efficiently use public funding to stabilize the properties, catalyze improved conditions for existing nearby residents, and put the property back into productive use
- **Estimated timeline:** 6 months from initial research to recommendation for strategy, property acquisition, and future use. Acquisition and new use to follow.
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
NEIGHBORHOOD INVESTMENT		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Nuisance Property Acquisition	Rental												
	Owner												

Homelessness Solutions – Demonstrations Programs

- **Issue:** The City of Dallas lacks affordable housing designated to serve persons experiencing homelessness. Demonstration programs focused on target populations or specialty housing will give City the opportunity to pilot various initiatives through collaborative partnerships to determine feasibility and plan for future scaling of larger developments
- **Progress to date:** Initial research and stakeholder input begun
- **Focus/outcome:** Creation of affordable housing units to serve seniors, veterans, youth and young adults, families with children, persons with disabilities, and any other vulnerable sub-population; recommend contract/contracts to Council
- **Estimated timeline:** 10 months from initial research to Council consideration
- **Lead department:** HOU and Office of Homeless Solutions

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
HOMELESS HOUSING STRATEGY		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Demonstration Projects	Rental												
	Owner												

Homelessness Solutions – NOFA: Mixed-Income Facilities

- **Issue:** In the 2017 Bond Program, voters approved \$20 million for housing to support those experiencing homelessness, including transitional and permanent supportive housing to target chronic homelessness, rapid rehousing for the elderly, disabled and families with children, and day centers for seamless wrap-around services.
- **Progress to date:** Recent efforts to deploy bond funds have been placed on hold pending community engagement to collect feedback on the type and design of affordable housing to serve persons experiencing homelessness in their neighborhood.
- **Focus/outcome:** Issue a holistic Notice of Funding Availability for mixed-income developments that align with goals of CHP and Resilient Dallas Plan to ensure housing stability and self-sufficiency; include additional funding as available; score the responses and recommend a contract/contracts to Council to use bond and other potential funding to produce the required housing.
- **Estimated timeline:** NOFA release projected summer 2020
- **Lead department:** HOU and Office of Homeless Solutions

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
HOMELESS HOUSING STRATEGY		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
NOFA Mixed-Income Facilities	Rental												
	Owner												

Funding – Marketable Housing Credits

- **Issue:** City incentives to create mixed-income housing often focus on reimbursing costs rather than creating value. Marketable Housing Credits (MHC's) would be a newly created, issued, and tradable security based on the creation of affordable housing units that would incentivize developers and investors to focus on producing more mixed-income housing developments in the city
- **Progress to date:** Initial research has begun
- **Focus/outcome:** Create a legal, secure, trusted, and tradable security so developers and investors seek to build more affordable housing in the City of Dallas
- **Estimated timeline:** HHS briefing: tentatively May 2020. Research/next steps: pending HHS direction
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
FUNDING & SUPPORTING ACTIONS		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Marketable Housing Credit	Rental												
	Owner												

Funding – Fee in Lieu of On-site Provision

- **Issue:** On-site provision of housing for low- and moderate-income households can be financially unrealistic in very expensive developments. A fee in lieu of on-site provision can create a dedicated funding stream for the City's housing trust fund and thereby provide local funding for creative alternative housing accommodations and programs
- **Progress to date:** Initial research and stakeholder input begun
- **Focus/outcome:** Seek expert guidance to develop a fee in lieu program that balances development finance constraints and the need for additional on-site mixed-income housing, especially in high opportunity areas.
- **Estimated timeline:** 18 months from initial research to Council consideration of the program, including RFP process for economic consultant to create recommendations
- **Lead department:** HOU

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
FUNDING & SUPPORTING ACTIONS		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Fee in Lieu	Rental												
	Owner												

Funding – Public Facilities Corporation

- **Issue:** PFCs are quasi-governmental, tax-exempt corporations that finance, own, and operate public facilities, including multifamily housing, creating an additional pathway to create mixed-income, high-quality multifamily housing without additional City investment
- **Progress to date:** PFCs were briefed to Economic Development Committee December 2, 2019 and to HPTF earlier in 2019
- **Focus/outcome:** Council approval of PFCs as a mechanism to develop mixed income housing in areas of opportunity, particularly for households at or under 80% AMI
- **Estimated timeline:** Research: January 2020. Council review and implementation of PFCs: spring 2020. Construction to follow normal review and approval process.
- **Lead department:** ECO

Program		A-C &/or Redevelopment				D-F &/or Stabilization				G-I &/or Emerging			
FUNDING & SUPPORTING ACTIONS		0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%	0-30%	31-60%	61-80%	81-120%
Public Facilities Corporation	Rental												
	Owner												

Existing Initiatives to Refine in 2020

- In addition to these new proposals, some existing initiatives will need refinement in 2020 as implementation continues, including:
 - Updates to the Fair Housing Review form
 - Updates and minor amendments to the CHP, including requirements for HIPP process, various department assignments, and funding process changes
 - Minor updates to the mixed income housing development bonus language in Chapter 20A to make the program more effective

Potential 2021 Initiatives

- Listed in original CHP
 - Non-contiguous TIF to support affordable housing
 - Homestead preservation districts
 - Voucher sublease program
 - Targeted homebuyer program
- Other initiatives
 - NOFA process review
 - Expedited process: \$250K-\$350K homes
 - SF zoning bonus resale formula
 - Mobile home research
 - Tiny homes
 - Burdened loans assistance
 - Tax deferment assistance
 - Inland Port - housing
 - Concerted Revitalization Plan
 - Housing voucher analysis
 - Review Cypress Waters' mixed-income housing
 - Review federal and state funding
 - Legislative agenda

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Issues

- Staff constraints
 - Only 2½ FTEs assigned to initiatives development, and each FTE can move one or two initiatives forward at one time, depending on the complexity
 - Items assigned to other departments are subject to those departments' work plans and staff constraints
 - All new policies that are approved must be implemented by existing staff unless additional FTEs are approved in the budget. Implementation could be delayed if staff capacity is low.
- Priorities
 - Initiative development will need to be prioritized and staggered within these constraints
 - Clear prioritization from Council increases staff productivity; re-prioritizing projects will slow or stop project completion

Next Steps

- Recommend Committee approval of the proposed 2020 work plan to develop new initiatives and refine existing initiatives.

Proposed Comprehensive Housing Policy 2020 Work Plan

Housing & Homelessness Solutions Committee

January 14, 2020

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Appendix: CHP Implementation Charts

IMPLEMENTATION REQUIREMENTS					
	Requires an ordinance change	Authorized by Resolution	Policy Decision	Available through NEZ	Non-City Action
Accessory Dwelling Units	X				
Building Code Fee Waivers	X			X	
Community Court			X		
Code Lien Foreclosures			X		
Community Land Trust	X				
Contractor Training Program		X	X		
Development Code Fee Waivers	X				
Employer-Assisted Housing Program					X
Envision Centers					X
Expedited Processing			X		
Home Improvement Preservation Program		X	X		
Homestead Preservation Districts			X		
Housing Trust Fund		X			
Incentive Zoning/Density Bonuses	X				
Lien Releases	X				
Multi-Family Rehab Program		X			
Neighborhood Empowerment Zones		X			
Opportunity Zones					
Park Land Dedication Fees					
Property Tax Abatement		X		X	
Rental/Homeowner Maintenance Education Program	X				
Tax Increment Financing (TIF)		X			
Voucher Sublease Program		X	X		

Appendix: CHP Implementation Charts

IMPLEMENTATION REQUIREMENTS					
	Requires an ordinance change	Authorized by Resolution	Policy Decision	Available through NEZ	Non-City Action
Accessory Dwelling Units	X				
Building Code Fee Waivers	X			X	
Community Court			X		
Code Lien Foreclosures			X		
Community Land Trust	X				
Contractor Training Program		X	X		
Development Code Fee Waivers	X				
Employer-Assisted Housing Program					X
Envision Centers					X
Expedited Processing			X		
Home Improvement Preservation Program		X	X		
Homestead Preservation Districts			X		
Housing Trust Fund		X			
Incentive Zoning/Density Bonuses	X				
Lien Releases	X				
Multi-Family Rehab Program		X			
Neighborhood Empowerment Zones		X			
Opportunity Zones					
Park Land Dedication Fees					
Property Tax Abatement		X		X	
Rental/Homeowner Maintenance Education Program	X				
Tax Increment Financing (TIF)		X			
Voucher Sublease Program		X	X		