

Memorandum



CITY OF DALLAS

DATE December 16, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **Housing Policy Update**

Community Equity Strategies (CES), the consultants facilitating the development of the new housing policy framework, have provided the attached update on the policy development document previously shared on November 4, 2022 via email and memorandum.

Over the past four months, CES has carried out extensive community engagement with residents, housing advocates, and industry experts to formulate a framework for the next housing policy. Through 306 person-to-person conversations and 12,941 digital touches, the *7 Pillars of Housing Equity* were realized — (1) Equity Strategy Targets, (2) Citywide Production, (3) Citywide Preservation, (4) Infrastructure, (5) Collaboration and Coordination, (6) Engagement, and (7) Education. Each pillar will be rooted in a SMARTIE (Specific, Measurable, Achievable, Relevant, Time-bound, Inclusive, and Equitable) goal that will be used to guide City investments and decisions in an equitable manner.

Since the last update, CES has incorporated additional community input received on the policy development document that was widely shared with stakeholders. CES has provided the attached [new version of the working draft](#) for review. This document replaces the version previously shared on November 4, 2022.

CES emphasizes that this is still a draft and will continue to be revised based on stakeholder input.

Should you have questions or need additional information please contact me at david.noguera@dallas.gov or 214-670-3619.

A handwritten signature in blue ink, appearing to read 'David Noguera'.

David Noguera
Director of Housing & Neighborhood Revitalization

Attached: Dallas Housing Policy 2033 Draft

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizzor Tolbert, Deputy City Manager
Jon Fortune, Deputy City Manager

Majed A. Al-Ghafry, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Dr. Robert Perez, Assistant City Manager
Carl Simpson, Assistant City Manager
Jack Ireland, Chief Financial Officer
Genesis D. Gavino, Chief of Staff to the City Manager
Directors and Assistant Directors

Dallas Accountability for Housing Equity - Policy Draft

Dallas Housing Policy 2033

Introduction

Housing affordability is fundamentally about choice. Dallas residents should be able to choose to live in safe, quality housing in a neighborhood with access to high-paying jobs, freedom from airborne toxins, healthy food, health care, protection from flooding, street lighting, and proximity to family, friends, faith, culture, and other community connections tied to wellbeing. According to the [Racial Equity Plan](#) (“REP”), “data continues to demonstrate how race and ethnicity predict life outcomes for Dallas residents.” See REP, page 15. For example, data from the City of Dallas 2019 Equity Indicators Report showed, “Black residents and Hispanic residents are far less likely than White residents to own their own homes in Dallas. Experts say housing is a key indicator for success as it impacts families’ access to schools, healthcare and other resources.” See REP, page 19. As the REP states, “Racial equity occurs when people are thriving and neither race nor ethnicity can be used to predict outcomes.” See REP, page 9. Dallas Housing Policy 2033, consistent with the Racial Equity Plan, seeks to reframe racial and economic inclusion as integral to Dallas’ housing growth. See REP, page 13.

Dallas Housing Policy 2033, Dallas’s new housing policy framework does not treat strategies for increasing equity as secondary to strategies for increasing city-wide affordability. Instead, it outlines a direction for increasing affordability by increasing equity and includes a set of clearly defined equity targets with which to measure concrete progress.

The Seven Pillars of Housing Equity

The Dallas Housing Policy 2033 comprises Seven Pillars of Housing Equity. These Pillars frame how the City partners, both internally and externally, to revitalize neighborhoods and develop housing that meets the needs of all Dallas residents. The Seven Pillars are aimed at reducing historical disparities while intentionally directing investments to build an equitable Dallas, promoting the ability of its residents to thrive in their neighborhoods of choice.

SMARTIE Goals

The Seven Pillars of Housing Equity are accompanied by SMARTIE (Specific, Measurable, Ambitious, Relevant, Time-bound, Inclusive, Equitable) goals. The outlined

SMARTIE goals show how the strategy will be utilized moving forward in revitalizing neighborhoods and developing housing. They are presented immediately after the Strategy Overview for each pillar. Embedded in the Strategy Overview are descriptions of how the strategy will be inclusive and equitable.

NOTE: The draft SMARTIE goals included below reflect the strategies to increase both equity and affordability outlined under each Housing Equity Pillar. They provide examples of how the City could measure concrete progress in a sustained fashion. Community Equity Strategies (CES) continues to refine the language in each draft SMARTIE goal with assistance from City staff. CES with assistance from City staff, will vet the SMARTIE goals in the final version of the recommended policy document to be presented to the City Council in January 2023, and will have been thoroughly vetted to ensure that the City has a practical plan for measuring progress on each goal. While the draft SMARTIE goals are expressed as 10-year goals, it is envisioned that the staff would provide annual reports to the City Council and the public to demonstrate progress towards the Year 2033 target.

Implementation Summary

Once the Dallas Housing Policy 2033 is adopted, those responsible for implementation are required to create and make public annual implementation plans outlining how policy strategies will be activated to achieve targets and benchmarks. Progress updates will be provided to the City Council on a quarterly basis.

Policy Statement,

The City of Dallas, having acknowledged the existence of disparities that disproportionately impact historically disadvantaged communities, increases equity in housing outcomes and revitalizes neighborhoods utilizing a mix of public and private approaches that are reflective of and accessible to unique, diverse constituents in each area. The policy components are as follows:

Seven Pillars of Housing Equity

1. Equity Strategy Targets (Housing - pg 30 Racial Equity Plan (REP))

Strategy Overview

Increasing equity while also increasing city-wide housing affordability requires targeted strategies. These strategies must be tailored to address historical disparities and the current conditions from one area of the city to the next. The combination of tools and tactics required to boost or

preserve mixed-income affordability vary significantly among the following areas:

- Areas with historically higher homeownership rates, higher median home values, generally superior infrastructure, and better access to higher-paying jobs and amenities.
- Areas with historically lower homeownership rates, lower median home values, generally inferior infrastructure, and less access to higher-paying jobs and amenities.
- Areas where rising property values threaten to displace households with roots in communities with strong cultural, faith, and social connectivity.

The strategy framework includes City Council-adopted strategy target areas within which City staff work with stakeholders to develop community-driven plans, that utilize tools and tactics that align with an area's inequities, current conditions, and market forces.

These plans outline how the City will achieve 10-year SMARTIE goals indicating significant progress in tackling equity and affordability challenges within each strategy target area. Each SMARTIE goal relates to a separate challenge the City must address in different ways from area to area in its pursuit of greater city-wide housing equity, including:

- Increasing affordable homeownership opportunities
- Eliminating infrastructure deficits
- Ensuring that dedicated affordable housing units are spread equitably across all areas of the city
- Avoiding concentration of dedicated affordable units in historically marginalized areas
- Preventing displacement
- Preserving cultural integrity and community institutions
- Identifying development resources

Proposed SMARTIE goals include:

- For strategy target areas within City Service Areas marked by lower homeownership rates, lower median home values, infrastructure deficits, and higher concentrations of dedicated affordable units:
 - By 2033 triple the annual expenditure of the City of Dallas infrastructure dollars (at an average increase of at least 15%

- per year on an aggregated basis, i.e., inclusive of all designated target areas).
- By 2033 triple the annual production of ownership housing units of various types with sale prices making them affordable to households with incomes below 80% of the City of Dallas median income (at an average increase of at least 15% per year on an aggregated basis, i.e., inclusive of all designated target areas).
 - [Note: housing types other than single-family detached (fee simple) need to be included]
 - By 2033 triple the annual number of households served with evidence-based, affordable housing preservation tools (at an average increase of at least 15% per year on an aggregated basis, i.e., inclusive of all designated zones).
 - For strategy target areas within City Service Areas marked by higher homeownership rates, higher median home values, generally superior infrastructure, and lower concentrations of dedicated affordable units:
 - By 2033 increase the annual production of dedicated affordable rental housing units for households below 60% of the City of Dallas median income to a level that is twice the annual city-wide annual production level (at an average rate of at least 10% per year on an aggregated basis, i.e., inclusive of all designated zones).
 - By 2033 increase the annual production of dedicated affordable ownership housing units of various types for households between 60% and 100% of the City of Dallas median income to a level that is twice the annual city-wide annual production level (at an average rate of at least 10% per year on an aggregated basis, i.e., inclusive of all designated zones).
 - For strategy target areas where rising property values threaten to displace households with roots in communities with strong cultural, faith, and social connectivity:
 - By 2033 increase the annual expenditure of City funds on the implementation of tools in the City's Anti-displacement toolkit to a level that is three times the city-wide expenditure level.

Community-driven planning for each strategy target area will:

- Be informed by **quantitative and qualitative data** analysis to identify any racial inequities that must be addressed to increase both affordability and equity simultaneously. This includes developing equity assessment tool(s) in collaboration with the Office of Equity and Inclusion.
- Identify the quality of life factors and attributes needed to ensure the constituents can thrive (health, education, environmental, employment, infrastructure, nutrition, safety, transportation).
- Identify the potential location of affordable housing (For example, single-family homes, homeownership opportunities, preserved units, affordable rental units).
- Include a design standard that ensures quality development, rehab, and preservation.
- Incorporate strategies for preventing displacement while preserving the cultural integrity of communities at risk of being displaced.
- Specify the investment resources needed, including:
 - i. Public dollars
 - 1. Housing Department Programs
 - 2. Other City department investments
 - ii. Philanthropy
 - iii. Non-profit and MWBEs housing developments
 - iv. Tax Incentives
 - v. Regulatory Incentives

The strategy target area approach will ensure that all 7 City Service Areas will make concrete, measurable contributions.

2. Citywide Production

Strategy Overview

Address the lingering barriers to the development of both dedicated affordable housing units and market-rate units affordable to a broader mix of incomes. In collaboration with both non-profit, market-rate developers and neighborhood stakeholders, adapt, and leverage existing Housing Department tools and develop new tools to boost production throughout all City Service Areas.

Strategy components include:

- Maximize housing choice within all City Service areas by investing in and facilitating the development of a range of housing types,

including transit-oriented multi-family housing, condominiums, and other housing types, in addition to fee-simple single-family housing.

- Deepen existing efforts to grow the capacity of non-profit and small for-profit developers committed to increasing the availability of high-quality, affordable ownership and rental housing within historically marginalized areas.
- Invest in facilitating increased coordination and develop formal agreements regarding housing production strategies among the public sector; private real estate development, lending, and other business entities; philanthropic organizations; non-profits, MWBEs; grassroots housing advocates; neighborhood leaders; and other stakeholders invested in increasing the overall supply of affordable housing.
- Increase collaboration among City departments to tackle zoning and permitting challenges facing developers that seek to increase production of affordable units in alignment with planning within target strategy areas.
- Develop community-driven plans for every target strategy area to achieve the production targets.
- Acknowledge the need for equitable distribution of access to affordable housing and develop specific action steps to close gaps in availability of affordable housing.
- Ensure that affordable housing production does not concentrate dedicated affordable units within areas designated as Racially or Ethnically Concentrated Areas of Poverty (R/ECAP).
- Support both infill development and master-planned development that includes mixed-income housing, employment opportunities, and missing amenities.

The following proposed SMARTIE goals will help the City increase city-wide affordability:

- By 2033, increase by at least 150% the annual production of dedicated affordable rental housing units for households at 0% - 100% of the City of Dallas median income (at an average rate of at least 10% per year on an aggregated basis, i.e., inclusive of all designated zones).
- By 2033 increase by at least 150% the annual production of dedicated affordable ownership housing units of various types affordable to households at 60% - 100% of the City of Dallas

median income (at an average rate of at least 10% per year on an aggregated basis, i.e., inclusive of all designated zones).

- [Note: housing types other than single-family detached (fee simple) need to be included]
- By 2024, develop and sign strategy agreements among the City Housing Department and private entities making financial investments in increasing the production of housing that increases mixed-income affordability throughout all 7 City Service Areas and aligns with the equity targets outlined in this policy.
- [other SMARTIE goals related to the process of boosting production in equitable ways?]

3. Citywide Preservation

Strategy Overview

The City will identify and catalog existing dedicated affordable units, including naturally occurring affordable housing, meeting livability standards, and collaborate with non-profits, MWBEs, neighborhood leaders, philanthropy, community groups, and the private sector to maximize the preservation of these units' affordability.

The following proposed SMARTIE goals will help the City increase city-wide affordability:

- By 2033, annually, preserve a minimum of 50% of housing units with expiring affordability requirements.
- By 2024, create a database of naturally occurring affordable housing and specific city-wide targets for its preservation.

4. Infrastructure (Infrastructure -pg 32 REP)

Strategy Overview

The City will prioritize infrastructure investment in historically disadvantaged communities. To address this deficit, the City will develop common cross-departmental infrastructure investment strategies for each of the designated strategy target areas.

Strategy components include:

- Significantly increasing the level of investment in City funds to eliminate infrastructure deficits in historically disadvantaged communities, with an emphasis on the designated target areas listed above;
- Leveraging investments to support public-private collaboration to develop and preserve housing;
- Streamlining processes supporting local developers to pursue infill development projects in areas with significant needs for affordable ownership housing; and
- Following the infrastructure development guidelines put forth in adopted City plans related to equity and housing affordability.

The following SMARTIE goals will facilitate infrastructure improvement:

- By 2033, triple the annual expenditure of the City of Dallas infrastructure dollars within designated target strategy areas (at an average increase of at least 15% per year on an aggregated basis, i.e., inclusive of all designated target areas).
- By 2033, the City will eliminate infrastructure deficits defined in each target strategy area plan to facilitate mixed-income housing development and leverage economic development opportunities for the areas impacted by historic disinvestment.
- By 2024, the City will produce measurable annual progress reports showing movement toward all the equity targets listed above.
- By 2024, the City will have aligned cross-departmental and external partner agreements that are reviewed annually that delineate the terms of their partnerships.

5. Collaboration and Coordination

Strategy Overview

City departments, including Legal, and external partners integral to equitable housing development and preservation, will have the capacity and flexibility to work in concert to facilitate neighborhood infrastructure development and make strategic revitalization investments in a highly coordinated fashion.

Strategies components include:

- Interdepartmental agreements between City departments that align the infrastructure and community development.

- Formal agreements with external partners that align infrastructure and community development.
- Investments among City departments in service of hitting strategy targets.
- Crosswalk of current plans highlighting alignment, identifying gaps, and action plan for coordinating efforts.
- Identify new plans as they arise and assure for alignment.
- Collaboration between the City departments and private and non-profit partners to fund/seed actions tied to achieving strategy targets.
- Dedicated funding for housing production and preservation.
- Scaled investment in existing and new tools that have proven effective around the country for preventing displacement of residents from neighborhoods where property values are escalating quickly.
- Partner with internal and external entities to conduct a comprehensive policy review of local and federal regulations on the books that aim to reduce inequities.
- Institute policies that advance equity and close disparity gaps for residents with the greatest need.

The following SMARTIE goals demonstrate collaboration progress:

- By 2024, the City will have a catalog of plans that impact housing development and revitalization and plans to align the cross-departmental investment.
- By 2024, the City will have an ongoing structure and schedule for joint presentations and events reflecting the collaboration and synergy of efforts.
- By 2026, the City will have co-funded opportunities to which multiple departments contribute.
- By 2024, the City will have aligned cross-departmental and external partner agreements that are reviewed annually that delineate the terms of their partnerships.

6. Engagement (Communication, Accountability, Transparency - pg 35 REP)

Strategy Overview

City Departments integral to neighborhood revitalization have a mechanism for authentic community engagement, reflecting partnership

with residents and community groups to implement neighborhood revitalization and housing development plans and transparently measure progress.

Strategy components include:

- Housing Department community engagement liaisons matched to each area developing a community plan and charged with facilitating communication and coordination (within the city and among neighborhoods/districts), connecting plans to the strategy, and ensuring accountability to the community-driven plans.
 - Structured system for being accountable to the community.
 - Serve as a liaison with community advocacy group(s).
 - Ensure City attendance and participation in established and new community and grassroots meetings (i.e., neighborhood association, neighborhood crime watch, etc.)
 - Serve as an information resource, guiding people to dashboards and communication strategies.
 - Serve as a resource for community/local plan developments.
- A structure for sustained engagement of and oversight by community stakeholders, including residents working at the grassroots and neighborhood levels.
- A transparent and accountable system for measuring meaningful progress toward equity targets using tools such as scorecards and dashboards.
- Annual progress reporting indicating concrete progress towards achievement of strategy targets.
- A housing program assessment at a minimum of three years that evaluates progress toward equity targets and measures resident satisfaction.

The following SMARTIE goals will demonstrate authentic community engagement:

- By 2024, the Department of Housing & Neighborhood Revitalization creates the required capacity for and implements a community liaison unit.
- By 2024 City staff partners with community stakeholders to:
 - Establish a documented, sustainable community engagement and accountability structure that specifically includes residents working at the grassroots and neighborhood levels.

- Provide annual reports showing progress toward all the targets and milestones above.
- Create scorecards and/or other new mechanisms to transparently share progress with community members.

7. Education

Strategy Overview

To effectively implement this housing policy, intentional actions must be taken to research and educate residents, staff, and City officials about historical struggles that have shaped inequitable conditions, including in the area of housing development and neighborhood revitalization. From that foundation, additional education is provided to promote YIMBYISM (YES, In My Backyard), financial literacy, and resident buy-in to support coordinated investments to increase equity. Education begins on day one and is continuously woven into all strategies.

- The City works with applicable City departments to invest in exhibits, materials, cultural artifacts, and historical documentation depicting how race and ethnicity have impacted neighborhood development throughout Dallas.
- The City works with applicable departments to partner with communities on continuous education on the impact of equity in housing policy development and implementation as well as provide progress updates with opportunities for feedback on housing policy implementation.
- Research and Data Analysis: The City utilizes its data collection and analysis capacity to illustrate to the public the disparities addressed at the micro level by the policy and the progress being made to reduce these disparities.
- YIMBYISM: Concurrent with strategy development, the City works with community partners to continuously provide information about the impact of strategies such as those supporting mixed-income housing development. The City demonstrates impacts on property values and neighborhood revitalization such that it encourages communities to embrace the myriad of strategies included in the plan.
- Financial Literacy: The City works with local banks and community partners to educate residents on asset management and building wealth.

- Tenant Protections and Rights: The City partners with community groups to provide education to residents regarding tenant rights and protections.

The following SMARTIE goals demonstrate the spectrum of information developed by and shared with the City and community stakeholders:

- By 2024 the City will have a curriculum on Equity and YIMBISM that crosses multiple City departments that informs public programs, exhibits, and community outreach.
- By 2024, the City will have established a system for annual plans reflecting deliverables aligned with strategy components.
- By 2024, the City will have aligned cross-departmental and external partner agreements that are reviewed annually that delineate the terms of their partnerships.