

The City of Dallas HOUSING DEPARTMENT OVERVIEW

A Briefing to the Housing Committee



Housing Department
October 1, 2007



Purpose

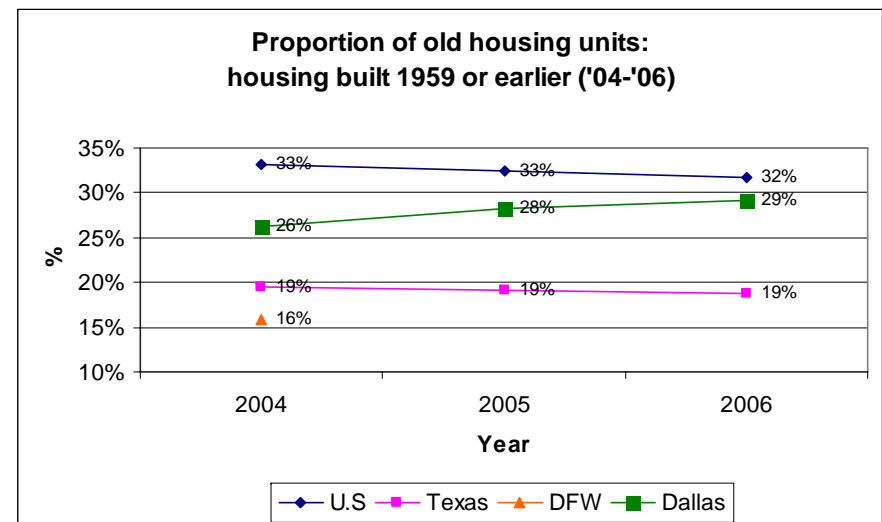
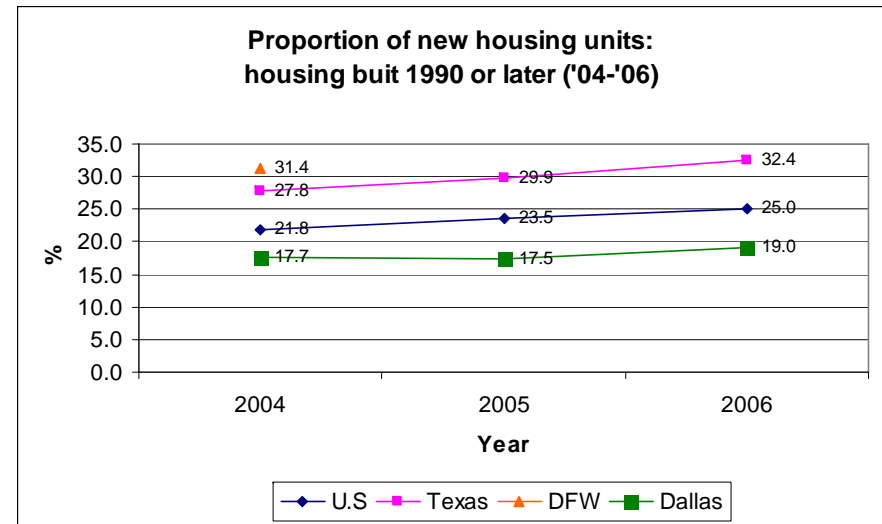
- Give overview of some of the housing challenges we face
- Describe some of the steps taken over recent years to address challenges
- Identify future program briefings that will detail specific programs and initiatives

Challenges

- Aging Multi-family Housing Stock
- Scarce Resources
- Disbursement of Workforce Housing
- Changing Markets

Current Trends

- Aging Housing
 - Dallas has older housing stock
 - Dallas low home ownership rate



Data based on occupied units only. Dallas share is increasing because of changes in vacancy rates.

Current Trends (con't.)

– Affordability

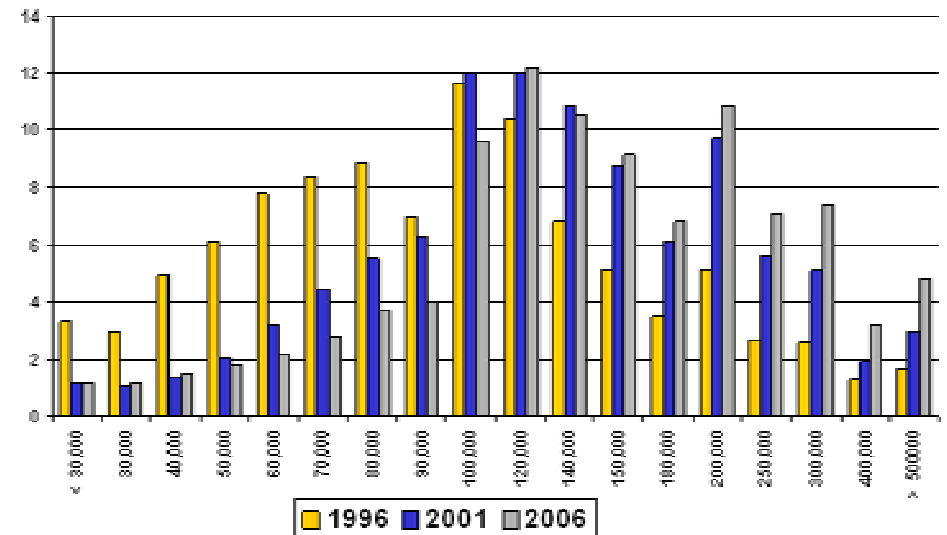
- Increasing construction costs
- Higher home prices and rents
- Tighter underwriting as backlash to subprime lending practices (17% of total buyers nationwide in subprime market)
 - 2005 delinquent subprime borrowers 10.5%
 - 2006 delinquent subprime borrowers 13.2%

PAYING FOR IT

Average monthly rent for an apartment in the Dallas-Fort Worth area from 1998 to 2006:

1998	\$630
1999	\$657
2000	\$686
2001	\$723
2002	\$722
2003	\$703
2004	\$702
2005	\$712
2006	\$724

SOURCES: M/PF YieldStar Inc.; Dallas Morning News research



Current Trends (con't.)

Changing Dallas Demographics

Ethnicity	White (Non-Hispanic)	African American	Hispanic	Asian	Other
Census 1990	47.7%	28.9%	20.9%	2%	.5%
2000	34.6%	25.6%	35.6%	2.7%	1.5%
2005	30%	24%	42%	3%	1%

Income	\$0 – 24,999	25,000 – 49,999	50,000 – 99,999	100,000+
Census 1990	45%	32%	17%	6%
2000	31%	32%	24%	13%
2005	34%	31%	22%	14%

Current Trends (con't.)

- Availability of Developable Land
 - In 2002, approximately 40,000 acres, 20% of total land area
 - 86% in Southern Sector
- Foreclosures
 - Dallas 30% decrease
 - Nationally 61% increase

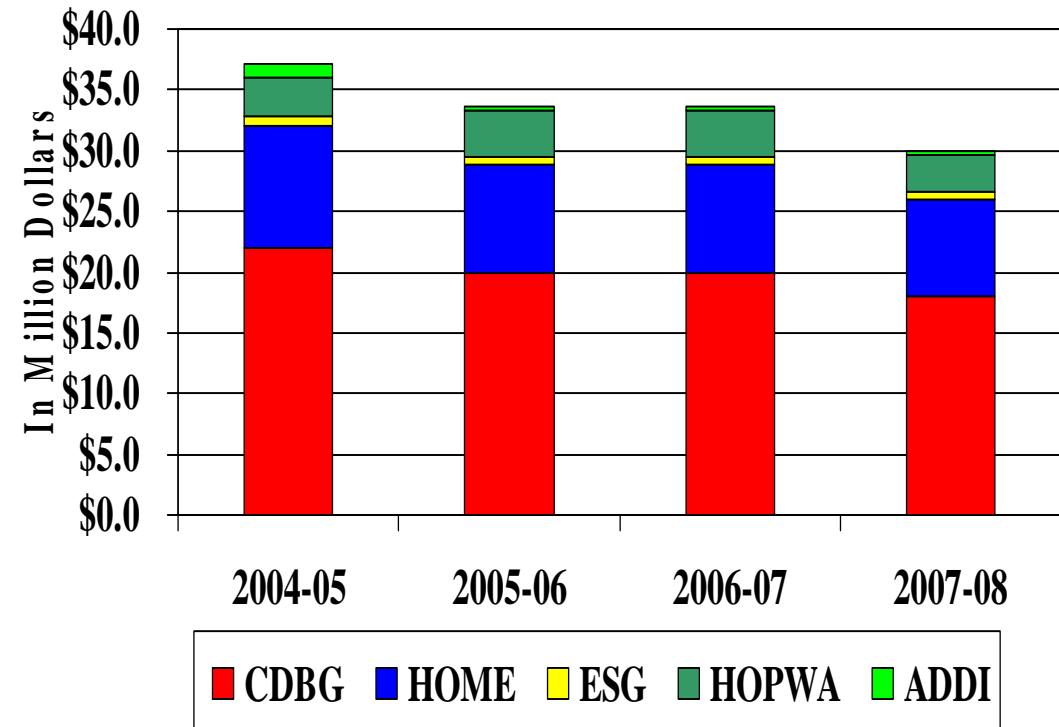
U.S. and Dallas Area Foreclosures (Year to date through July)				
	Dallas Area		US	
	Foreclosures	Rate*	Foreclosures	Rate*
December 2006	4,481	3.2	109,652	1.5
May 2007	3,162	2.3	176,137	2.4
Percent Change	-29.4%	-	60.6%	-

* Rate based on filings per 1,000 households.
Source: RealtyTrac.

Current Trends (con't.)

- Decreasing Federal Funds

- Total funds from \$37M to \$30M
- Overall 20% decrease



Current Trends (con't.)

- State Funding Limited to Low Income Housing Tax Credits
 - Dallas receives federal funding directly from HUD and is not eligible for federal funds received by the State
 - State Housing Trust Fund primarily targeted for rural participation
 - Dallas Low Priority for State Bond Funds – primarily targeted for unincorporated area
- Local Funds Have Increased With Addition of Bond Funding
 - 2003 GO Bond funds \$8 million
 - 2006 GO Bond funds \$16.5 million

Current Trends (con't.)

- Workforce Housing
 - Impact on Environment and Family costs
 - Transportation Oriented Development - DART
 - Downtown
 - Mixed use

Current Trends (con't.)

- Markets
 - Married Couples
 - U.S: 49.7%
 - Dallas: 37.6%
 - Female Head of Household
 - U.S: 12.5%
 - Dallas: 15.5%
 - Nonfamily Households
 - U.S: 33.2%
 - Dallas: 40.9%
 - 65 Years and Over
 - U.S: 9.1%
 - Dallas: 6.4%

Background

- Prior to 2002, Housing Department's focus
 - Home Repair
 - 1st time homebuyer assistance
 - Community Housing Development Organization (CHDO) assistance
- In May 2002, the Mayor's Affordable Workforce Housing Task Force was formed
 - Months of intense review & analysis with nearly 100 interviews
 - Identified a need to create 30,000 affordable housing units in 5 years
 - 21 recommended actions among six broad categories:
 - Improve the development process for all types of development
 - Remove barriers to land assembly and use for affordable housing
 - Support housing in the context of community building to revitalize distressed neighborhoods
 - Approach housing efforts holistically
 - Restructure and increase impact of housing programs, as warranted
 - Commit to affordable housing as a priority

Background (con't.)

- To date, 20 of the 21 task force recommendations have been implemented, resulting in new initiatives &/or changes to existing departmental programs/policies
- The City has made numerous changes
 - City Council approval of new sources of funding
 - The appointment of a new Director who brought 33 years of private sector banking and underwriting expertise
 - State legislative changes sought by the City
 - Increased public sector leveraging of funds and partnerships and greater interdepartmental coordination
 - New methodologies, efficiencies and quality controls that helped to increase production and the timely expenditure of funds
 - Expanded role in mixed use housing developments

Background (con't.)

- Over last 5 years, over 18,000 affordable units and 3,000 developable lots have been produced:
 - 9,281 building permits were issued for homes \$150,000 and less
 - almost \$1.1 billion in additional tax base
 - 2,478 subdivision lots remain out of the 11,759 developed lots south of I-30 to be built upon
 - will add \$310 million in additional tax base
 - 6,768 low income tax credit apartment units built (A Quality)
 - adds \$473 million in additional value to the tax base
 - 2,624 mortgage assistance payments for low income buyers that average \$10,000 per household
 - leveraged \$302 million in private investment
 - 3,684 home repairs to senior and disabled low income homeowners at approximately \$25,000 per home
 - 129 lots foreclosed, 634 law suits filed and 286 law suits to be filed by 9/30/07 for the City's Land Bank, the only operational Land Bank in the State
 - is primary vehicle for low income housing in the inner city with 300 lots foreclosed and 300 to 400 lots sold to builders on an annual basis
 - translates to \$35 to \$45 million in additional tax base to the inner city on an annual basis

Background (con't.)

- Benchmark Results
 - ICMA (21 cities of more than 300,000)
 - Dallas is 9th in new units produced
 - Dallas is 7th in subsidizing home purchases
 - Dallas is 3rd in rehabilitation of owner-occupied units
 - Benchmarked to Phoenix, San Antonio and San Jose
 - Dallas is first in total units produced and in number of home purchases per \$100,000 spent
 - Dallas is second in the number of owner-occupied units rehabilitated
 - Customer Feedback (for FY 2005/06)
 - Homeowner Repair Program questionnaire tracked with 91% satisfaction
 - People Helping people Program questionnaire tracked with 98% satisfaction

Meeting Challenges

- Department Reorganized
 - Established Property Acquisitions Group
 - Consolidated Development Into One Group
 - Expanded Neighborhood Development Group
 - A more detailed briefing on Department resources and structure to follow at next meeting

Future Briefings

October 2007

- Housing Trust Fund Initiative
- Department Staffing and Resources
- Home Repair Program
- Green Building Pilot
- Cost Participation Program

November 2007

- Neighborhood Investment Program
- Land Bank Status
- Housing Trust Fund Recommendations

December 2007

- Community Housing Development Organizations (CHDOs)
- Housing Finance Corporation Pre-application Waiver Process
- Benchmarking

Future Briefings (con't.)

To Be Scheduled for 2008

- Sub Prime Mortgage Environment
- Individual Debit Accounts
- Community Development Block Grant Funding in Housing
- Fair Housing Issues







