

STATE OF DALLAS HOUSING, 2016

markets, barriers, policies, and opportunities for
affordable homeownership in Dallas, TX

MAY 2016



PREPARED BY

The buildingcommunityWORKSHOP is a Dallas based nonprofit community design center seeking to improve the livability and viability of communities through the practice of thoughtful design and making. We enrich the lives of citizens by bringing design thinking to areas of our city where resources are most scarce. To do so, [bc] recognizes that it must first understand the social, economic, and environmental issues facing a community before beginning work.

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AIM FOR DALLAS

AIM for Dallas is a program of buildingcommunityWORKSHOP that works to grow affordable homeownership in the city of Dallas through improving system efficiency and equity through research, data analysis and advocacy, providing resources and support to homebuyers, and encouraging market-driven approaches to affordable development. These activities are broken down into three modules of work:

The **Navigation** module serves homebuyer education providers, builders, lenders and LMI buyers alike. Navigators steward homebuyers through each stage of the buying process, helping the buyer make strategic decisions and ensuring that the extent of that buyer's choices are clearly conveyed. The navigation module has five key functions: *Case management of prospective homebuyers: from counseling to closing; Relationship management with counselors, builders and lenders; Marketing to buyers; Data collection on buyer preference, pipeline flow, etc. for sharing with Research and Analysis counterparts; Organize Labs that convene housing-related professionals to build system capacity.*

The **Research and Analysis** module is a resource for any housing-related organization, from governmental entities to small-scale builders, that want to increase the use of market analysis in their decision-making. Utilizing data from the navigation module and public and private data sources, the Research and Analysis module has four primary functions: *Provide regular reports on the progress of affordable infill housing in Dallas to help guide public and private investment, and to advocate for system changes; Prepare and present white papers on housing policy related issues; Prepare and present custom commissioned market studies, project evaluations, etc.; Provide constant market information to the Navigation module to effectively guide homebuyers with neighborhood and product choices, to help builders respond to fine-grained product and location demand, and to guide the real estate decisions of the **Investment** module.*

The **Investment** module will capitalize and manage a fund that makes equity investments in infill housing. It would maintain a market-driven approach to affordable housing and focus on acquisition investments that could preserve sites for affordable housing in emerging markets. These investments would be driven by data gathered by the Navigation module and filtered by Research and Analysis module. The Investment module would be run on sound business principles and, despite its non-profit status, would be expected to provide a return to investors. The Investment module would operate in the following primary ways: *Acquire and facilitate development of large parcels; Land bank small, scattered parcels; Invest equity in deals to inject affordable component; Invest equity in market-driven affordable deals.*

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INTRODUCTION

Housing affordability, the focus of [bc]'s AIM for Dallas program, is a key concern for current residents, stakeholders, and policy makers in Dallas, not to mention future residents that the city hopes to attract. To successfully gain and retain homeowners, it is important that Dallas understand affordable housing in terms of markets, policies, and people, each of which impact the choices available to, and made by homebuyers. This is true for public servants, elected officials, non-profits, developers, advocates, and lenders. Acting upon this understanding becomes more challenging in relation to low-to-moderate income homebuyers—markets become inaccessible, policy becomes increasingly important, and choices shrink.

This report focuses on homeownership for working and middle class buyers, which is the key focus of the AIM for Dallas program. This focus is motivated by the continuing importance of homeownership as a source of wealth for citizens and a measure of strength and stability for our neighborhoods. The challenges facing renters, particularly those in more severe poverty, are substantially different, and require different approaches than those proposed here.

Many of the findings in State of Dallas Housing, 2016 are not new, nor will they be surprising to the civically active. What is unique about this report is the variety of analyses in one place that track market and justice-based metrics to evaluate the shifting landscape of economic activity and social equity from year to year. In the interest of developing highly-accessible, mixed-income neighborhoods in the city, this report creates a baseline by which success can be measured, neighborhood-level change tracked, and action taken. There are other market studies published quarterly or yearly, and other studies about neighborhood conditions, but rarely are the two combined for the public interest.

Dallas has significant challenges and opportunities when it comes to planning for and implementing a city of mixed-income, urban neighborhoods. The need for more diverse and integrated neighborhoods has been resolutely confirmed by the city and federal government. This annual report will better equip citizens, housing organizations, and public agencies to be reflective and proactive about building such a city, by tracking changes in demographics, housing markets, neighborhood conditions, and barriers to credit access.

This report finds that, over the past few years, Dallas has continued to attract low-income and high-income residents separated by a gulf of space and resources, while other areas of the region as a whole enjoy a healthier middle class housing market. The extent of this gulf is demonstrated in the following pages through demographic, economic, housing market, and neighborhood

condition metrics at the neighborhood level. Wealth, housing activity, and jobs are all concentrated in the Central Business District, Uptown, Oak Lawn, and significant portions of North and East Dallas. Poverty and scant economic activity dominate south of the Trinity River and I-30. These disparities allow blighted neighborhoods to stagnate while wealthier neighborhoods consolidate, and slowly spread through gentrification. A Market Heat analysis demonstrates current and trending demand, in particular to identify where affordability may become a future issue, where a market may require a nudge of housing investment, or where groundwork needs to be laid before the market will be ready to effectively absorb new housing.

This Market Heat analysis, along with data from the Dallas Central Appraisal District, building permit data, and more, demonstrate major impediments to Dallas's goal for increasing homeownership in the city, particularly among middle-income households. Dallas is hampered by its aging and deteriorating housing stock, sporadically successful school system, and high rate of vacancy and poverty, exacerbated by racial and economic segregation. Counter to the common narrative, Dallas has a tremendous amount of affordable housing, but the conditions of the neighborhoods, if not the buildings themselves, prevent competitive housing markets from emerging in these places. The issue is not always the price of the home, it is the quality of the home, and more importantly the neighborhood, that suppress demand, and consequently values, for new construction geared to low-to-moderate income homebuyers. Data from the Home Mortgage Disclosure Act shows that inequitable access to credit based on race, income, and geography compounds these challenges.

It is incumbent upon the city to craft public policy then direct its planning, development strategy, to alleviate its housing challenges by combining both justice and market-based approaches. By understanding the development and market cycles of its neighborhoods, a multi-pronged approach to a more equitable, economically, and socially diverse city is formed.

The city's Neighborhood Plus program has outlined some conceptual strategies for accomplishing these goals, as well as identifying target neighborhoods. This report outlines a method for evaluating where and how to encourage housing, and pinpoints specific assets, entitlements, and approaches to accomplishing and measuring success. The city has been mapped using a GIS-based suitability analysis to rate areas based on how well they link key neighborhood-based services. Areas that score highly are where the City should focus on encouraging mixed-income neighborhoods that include affordable homeownership opportunities.

Tracking housing metrics and planning for neighborhood change become powerful tools only when they are followed by decision-making and implementation. Creating a city where healthy housing activity occurs in both north and south, homeownership is available in areas of opportunity to people of color and modest means, and new amenities don't mean that old neighbors must leave, requires action. This report goes as far as to identify vacant, mostly publicly-owned, sites across the city where development can be curated towards accomplishing these goals.

In this report, housing affordability differs from common notions of affordable housing. While high quality low-income housing and public subsidy are topics of interest, this report is also concerned with neighborhood conditions and middle income housing opportunities. In particular, State of Dallas Housing, 2016 focuses on homeownership, an area that the city has explicitly stated it hopes to grow.

EXECUTIVE SUMMARY

State of Dallas Housing, 2016 establishes a baseline to track the city's homeownership market and its context, both at the neighborhood level, and against its regional competitors. The report measures the current year and trends, in order to both measure success, and identify and react to shifting landscapes. As an annual report, *State of Dallas Housing*, will provide a regular benchmark on housing activity to any citizen, organization, or agency.

While other studies and reports have analyzed and visualized aspects included here, *State of Dallas Housing, 2016* is unique in its combination of market and justice based analysis. By following to demand, Dallas can invest more efficiently in housing affordability and neighborhood revitalization. By focusing on areas of high opportunity and abundant amenities, Dallas can more effectively achieve bilateral integration. This report provides methods for accomplishing both of these goals.

State of Dallas Housing, 2016 begins with a review of major housing policy activity in the past year, and much of its focus derives from the subject of this public discourse. Integrated, mixed-income neighborhoods, in areas of high opportunity were prioritized by Neighborhoods Plus, codified by Inclusive Communities Project vs. Texas Department of Housing and Community Affairs, and deliberated by the Dallas City Council, Plan Commission, and The Real Estate Council. The following chapters illustrate methods for measuring, identifying, and building such neighborhoods.

Demographics and Economy give a brief overview of the shifts in population and density, income and poverty, and jobs and job access to set baseline and identify trends about where people live and work and their economic circumstances.

- Dallas's population growth has increased each of the past three years and its growth rate has become more competitive with other cities in the region.
- Jobs growth in Dallas has not spread significantly to the south towards those who need them.
- Across each of the major metrics here, poverty, income, and jobs, a "barbell" economy is apparent: highly polarized with little in the middle.

Against that backdrop, the Market for Homeownership chapter investigates housing markets in North Texas at the city and neighborhood level, emphasizing three basic questions: Who is buying homes? Where are they buying homes? and What are the characteristics of the homes people are buying?

- The barbell condition identified in previous chapter carries over into study of the homeownership market. There have been modest gains in demand for housing in southern Dallas, particularly along I-30, adjacent the Central

- Business District, and at the city's southern border.
- The neighborhood's experiencing the most significant demand are from just east of White Rock Lake all the way to Central Expressway, and from Uptown through Oak Lawn towards Love Field Airport. Sales prices have increased dramatically in large areas of Southern Dallas, but are being raised from a very low floor.
 - Building permits indicate that most new building in the city for homeownership is for replacement housing in wealthy neighborhoods, not revitalization.
 - Mortgage applicants for Dallas are poorer, and less white than elsewhere in North Texas
 - Dallas has a lower proportion of homeowners than other cities in North Texas and particularly lacks young homeowners
 - Three Market Heat analyses were conducted- 2015, Trend (2011-15), and Combined - using three metrics for demand- Days on Market, Number of Sales, Sales Price- comparing individual tracts to the region
 - 2015 Market Heat is predictable, showing heavy demand for housing between Central Expressway and White Rock Lake, and in Uptown and minimal demand in East Oak Cliff, South Dallas/Fair Park and Pleasant Grove
 - The Market Heat Trend, however, shows demand growing in North Oak Cliff, Deep Ellum, the Cedars, and Old East Dallas. There is indication of increasing market activity further into South Dallas/Fair Park, trickling westward and southward from North Oak Cliff, and moving towards Love Field, among other pockets of increasing demand.

Barriers for Homeownership outlines what prevents Dallas from competing more comprehensively for the region's significant housing demand, particularly among middle income households, and also what prevents homebuyers who are interested in Dallas from purchasing a home there.

- Market demand, more so within Dallas than other North Texas cities, appears to correlate with segregation, school quality, poverty, and educational attainment
- Areas with low demand also tend to have a higher number of rental households, vacant homes, and vacant residential land
- Low-to-moderate income homebuyers are becoming a smaller portion of the mortgage applicant pool and having an increasingly difficult time getting approved.
- Middle-income homebuyers are less likely to be approved for a mortgage in Dallas than other North Texas counties
- Black and Hispanic homebuyers make up a disproportionately small percent

of mortgage applicants and high percent of mortgage denials across North Texas

- It is more difficult for poor people to obtain credit in heavily white neighborhoods, and for all wealth classes to obtain credit in heavily minority neighborhoods

The conclusions from this analysis are synthesized and then applied alongside the goals and suggestions from Neighborhoods Plus, to identify actual locations where housing could be sited to begin to resolve the challenges and opportunities outlined in the report. A suitability analysis scores the total area of the city based on proximity or access to seven features: Job centers (defined as blocks with 1,000 or more jobs); Grocery stores, bus stops, light rail stations, good schools (rated as B- or above by Children at Risk), affordable health clinics, and poverty.

Areas closer to each feature get a higher score, resulting in seven scores for any area of the city. Each of the seven features is given a weight, based on its influence on a location's suitability for low-to-moderate income housing. Being in a low poverty area was given the most influence, followed by access to rail. Overlaying each weighted feature results in a composite suitability score.

The suitability analysis is then filtered with the Market Heat analysis, and other attributes identified as assets for housing affordability by Neighborhood Plus such as publicly owned land, or where more urban zoning (townhome or duplex) currently exists or would be appropriate. Then, sixteen sites are profiled, categorized into four types of intervention:

- Integration: Site is located in or near high-opportunity and where affordable housing is scarce- Housing here should be geared towards lower income (50-80% AMI)
- Preservation: Site is located in an area of increasing value where affordability is or may become threatened. Housing here should be geared towards lower income (50-80% AMI)
- Activation: Site has depressed market that may not have adequate demand for housing now, but has significant upside where additional groundwork investment may make it market ready. Housing here should be geared towards lower and middle income (50-120% AMI)
- Future: Site is significant in size and deserves extensive planning and should be thought of as opportunities for the city to plan for model mixed-income neighborhoods. Housing here should be geared towards the full range of incomes.

2015 POLICY REVIEW

Lawsuits, planning processes, zoning questions and construction galore, although specifically in multi-family rental development, made 2015 a busy year in housing and housing policy in Dallas. The two most significant outcomes were conceptual: that housing must be thought about in terms of neighborhoods, and that affordable housing needs to be included in high opportunity neighborhoods. In order to realize these concepts, Dallas will need to proactively provide new housing products, funding models, and policies—and will need meaningful cross-sector collaboration. Whatever is implemented must also be rooted in serving people, and providing justice and opportunity.

Through Neighborhood Plus, a plan to “set a new direction and shape new policy for housing and neighborhood revitalization in Dallas;”¹ and born out of a resolution to a discrimination investigation of the City of Dallas conducted by the Department of Housing and Urban Development (HUD), the City emphasized considering housing within the context of neighborhood. The plan’s central tenet is the need to “link housing to crucial neighborhood-based services including education, training, health care and transportation.”² While this recognition of the value of neighborhoods beyond their housing is welcome, Neighborhood Plus has not given enough attention to creating housing affordability in areas of high opportunity where these links are already thriving, instead, emphasizing complete neighborhoods as a revitalization platform, a surprising outcome considering the resolution of HUD’s discrimination investigation of Dallas in 2014.³

The need for housing affordability in high opportunity neighborhoods as a desegregation tool, encouraging diverse and mixed-income neighborhoods, was affirmed by the Supreme Court decision on disparate impact in the case *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, decided in June, 2015 and brought by the Dallas nonprofit, Inclusive Communities Project. The Supreme Court’s recognition of disparate impact in housing means that an institution or municipality may be guilty of housing discrimination based on effect, rather than intent. Concentrating subsidized housing in low-income, minority areas, has the effect of perpetuating poverty and segregation, not alleviating it.⁴

The conversation on the geography of affordable housing, as well as discussion of tools to supply it, made a splash publicly when District 14 council member Philip Kingston’s appointee to the Plan Commission, Paul Ridley, suggested a luxury high-rise residential project requesting upzoning be required to include affordable units.⁵ This gesture brought housing affordability as an issue into focus for the local development community. The Real Estate Council and

the Urban Land Institute also studied affordable housing issues and policies throughout 2015 and into 2016 to offer recommendations and input to the City of Dallas. The Dallas City Council's Housing Committee is set to generate new policy regarding fair housing in 2016.

Following a tumultuous 2015, 2016 may well begin to address some of these questions about the future of affordable housing planning and development in Dallas. As the Neighborhood Plus plan is forced to move beyond the conceptual, continued multi-family development drives up land values and stirs fear of gentrification, contrasted by concerns over the stifling impacts of segregation and blight, can Dallas set and further an agenda that promotes inclusive rebuilding of the city? And how does it define and track its success?

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1. City of Dallas. Neighborhood Plus: Neighborhood Revitalization Plan for Dallas, 2015. http://dallascityhall.com/departments/pnv/strategic-planning/_layouts/15/WopiFrame.aspx?sourcedoc=/departments/pnv/strategic-planning/DCH%20Documents/Web%20-%20Neighborhood%20Plus%20Plan%20-%20Adopted%2010-07-2015.pdf&action=default
 2. Ibid.
 3. Benning, Tom. 2014. "Reverberations from city of Dallas' HUD discrimination case to be felt". November 6. <http://www.dallasnews.com/news/metro/20141106-reverberations-from-city-of-dallas-hud-discrimination-case-to-be-felt.ece>
 4. Texas Department of Housing and Community Affairs Et Al. v. Inclusive Communities Project, Inc., Et Al. No. 13 -1371. Supreme Ct. of the US. June 2015.
 5. Schutze, Jim. 2015. "A Way You and I Could Afford to Live Across from Klyde Warren. Really." June 2. <http://www.dallasobserver.com/news/a-way-you-and-i-could-afford-to-live-across-from-klyde-warren-really-7276554>

1. DEMOGRAPHICS AND ECONOMY

Housing and the housing market exist within a complex urban ecosystem. In order to understand the geography and economics of the housing market and its trends, we must contextualize it with demographic and economic information. Dallas also exists within the context of its region, and understanding its place within the region helps us better understand the city's challenges and opportunities.

Population and Density

Dallas is by far the biggest city in North Texas, but much was made of its slow growth rate when compared with its suburban neighbors between the years of 2000 and 2010. Since 2010, the city of Dallas has added more people each year than the previous one. Although Ft. Worth led the region among cities in annual absolute growth from 2011 through 2013, Dallas overtook its western counterpart in 2014, gaining nearly 20,000 new residents (Figure 1.2). In terms of growth rate, exurban towns and cities including McKinney and Prosper outpaced the rest of region, in part due to the lower costs of greenfield development, and thus, inexpensive, new housing. Dallas did, however, grow its annual growth rate each of the past three years and closely mirrored the growth rate of Plano (Figure 1.3).

Dallas has clearly been able to attract residents. The composition of this new resident base will reveal the types of people Dallas has been successful in attracting, as well as those that continue to choose other parts of the region. Taking a closer look at the census tract level (equated here with "neighborhood" for analytical purposes) also demonstrates the parts of the city and types of places where the city is seeing growth. (Figure 1.4) Once sparsely populated, areas in Collin and Denton counties along I-35 and the Dallas North Tollway have seen the most substantial growth rates among North Texas census tracts, but Dallas, too, has neighborhoods experiencing significant population growth. Most notably the neighborhoods immediately surrounding the central business district, portions of West Dallas, northwest of Love Field, along I-20, and near Mountain Creek. Despite its overall growth, portions the region has seen declines in population, as well, heavily in southeastern Dallas County.

One area where Dallas has differentiated itself within the region is population density. The census tracts that make up Dallas's Central Business District have seen substantial population growth, and are also among the densest in the region (Figure 1.5). Apartment neighborhoods along I-635, northwest of Love Field and along North Central Expressway are also much more densely populated than most neighborhoods in the region. The growth in these dense areas distinguish

Figure 1.1: Growth in People from 2011 - 2014 by City
 AMERICAN COMMUNITIES SURVEY, 5-YR ESTIMATES

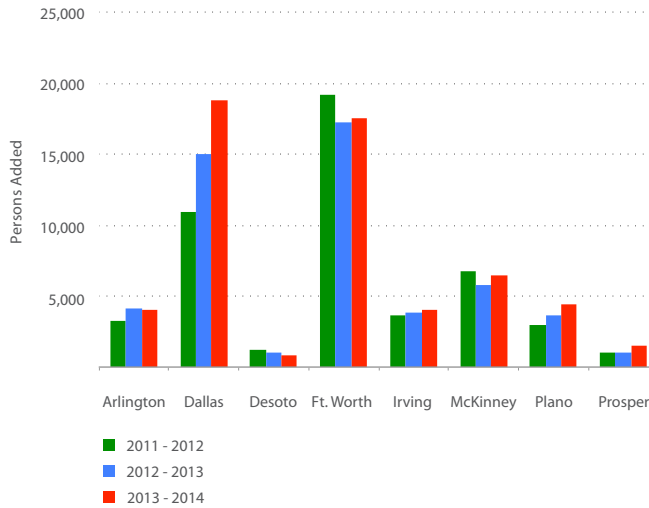


Figure 1.3: Annual Growth Rate by City 2011 - 2014
 AMERICAN COMMUNITIES SURVEY, 5-YR ESTIMATES

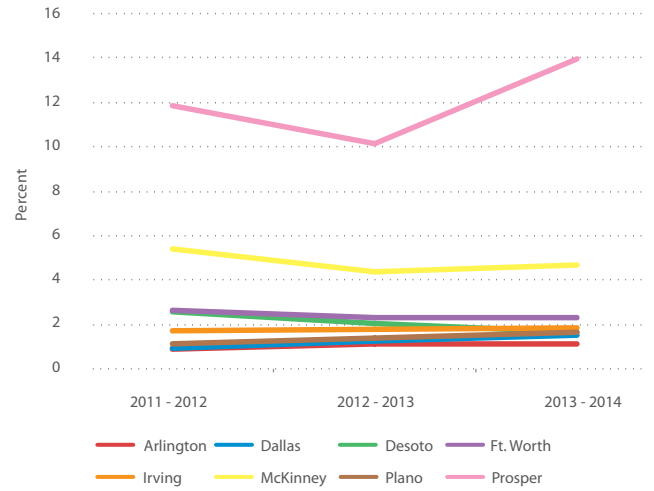
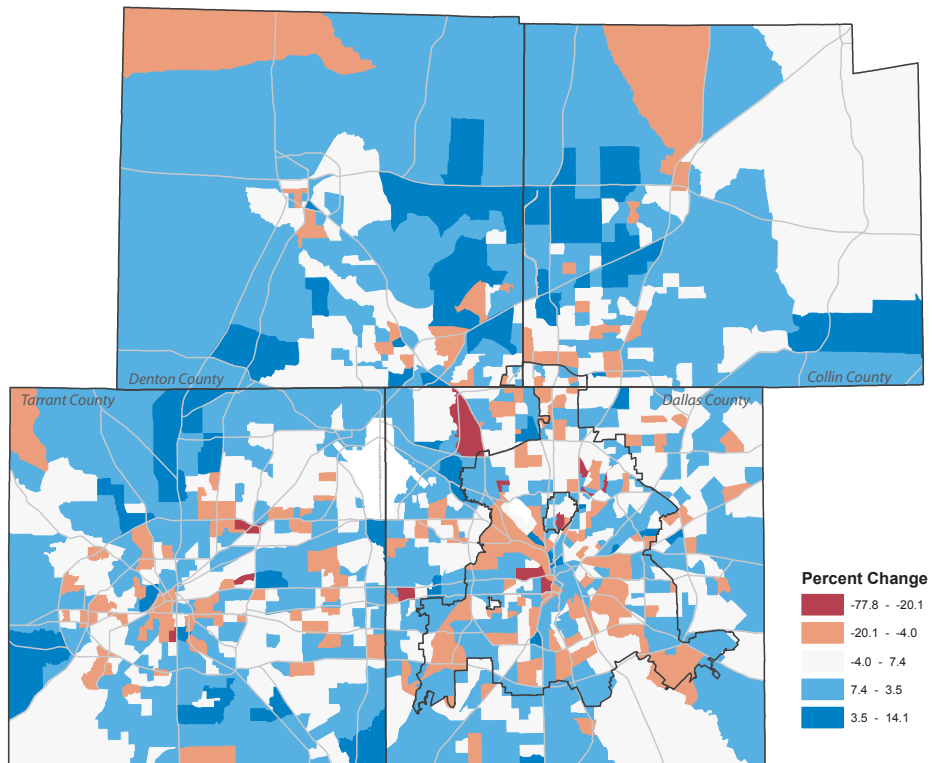


Figure 1.4: Growth Rate by Census Tract, 2011 - 2014, Collin, Dallas, Denton, Tarrant Counties
 AMERICAN COMMUNITIES SURVEY (ACS), 5-YR ESTIMATES



Dallas from its suburban neighbors, and should provide a cue to Dallas on how to continue to grow a unique appeal.

Change in density is not uniform within the region, however (Figure 1.6). The Central Business District and neighborhoods directly North appear as areas that have experienced significant population density increase. On the other hand, some of the more densely populated neighborhoods along North Central Expressway and in East Dallas have seen marked decreases in population density, as have some areas of North Oak Cliff. In some cases, this is due to gentrification (Here defined as in-migration and income growth at the neighborhood level, possibly, but not necessarily including displacement of existing residents.), where, despite new apartment construction, smaller households have replaced larger ones thus reducing population density; and in other cases, there has been a loss of housing units via demolition without replacement. Both of these cases indicate a need for densely populated neighborhoods that encourage family occupancy, preserve affordability, and minimize displacement.

Jobs & Employment

Dallas remains a significant employment base within the region. Figure 1.7 demonstrates the concentration of jobs in and around the Central Business District, Las Colinas and DFW Airport, and along I-635 and the Dallas North Tollway, compared to the rest of the region. It also highlights the lack of employment centers in southern Dallas, in particular southeast and far east Dallas.

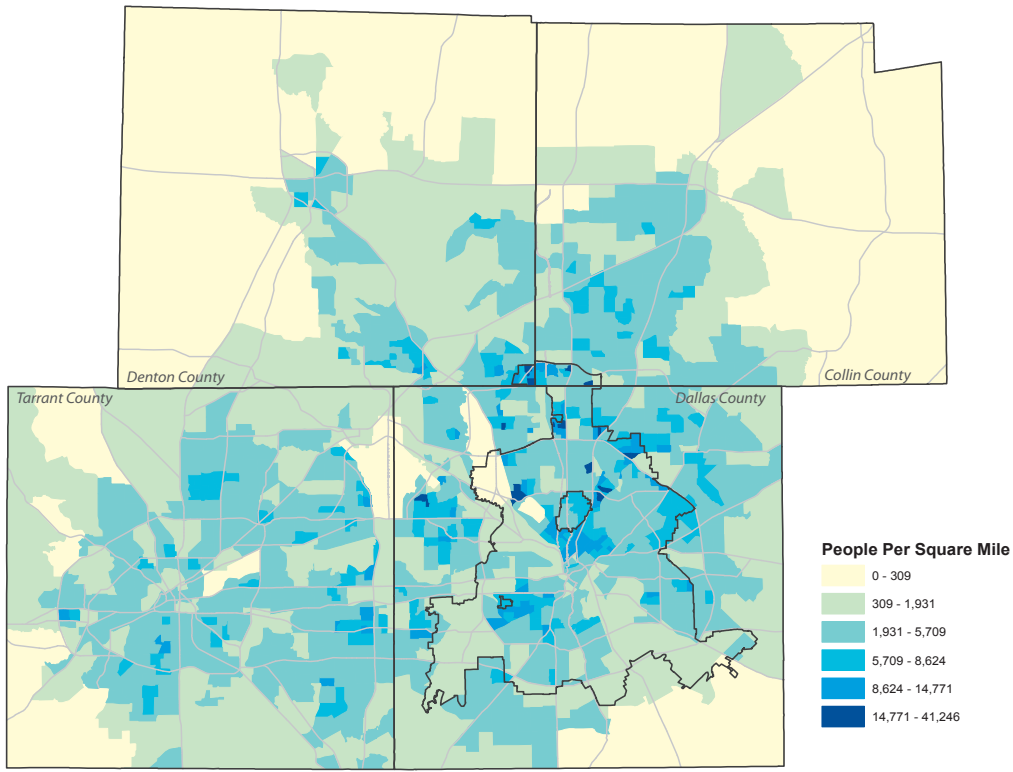
Measured increases in the number of jobs are focused on the south side of the Central Business District into the Cedars neighborhood,

near the northwest border of Dallas west to Dallas-Ft. Worth International Airport, and in southwest Dallas near Mountain Creek (Figure 1.8). Continued effort should be made to create employment opportunities in southern Dallas, as much of this area has seen stagnant job growth. In general, many of the new jobs added in North Texas have been in or near the Dallas city limits. Affordable homeownership opportunities should be sought in or near areas of high job growth to ensure convenient access for workers to jobs.

The spatial mismatch between job location and areas of unemployment highlight this need. Figure 1.9 depicts areas of high unemployment in southern Dallas, in particular South Dallas/Fair Park, and also in West Dallas. Efforts should be made to connect job seekers in West Dallas to conveniently located jobs in northwest Dallas. In general, Dallas suffers from high unemployment (Figure 1.10), though the situation has improved in the past year.

The need for job training and job access in southern Dallas is further exhibited when viewing the region in terms of income (Figure 1.11). East Oak Cliff has few jobs and some of the lowest incomes in the region. In contrast, areas of North Dallas with the highest incomes also have some of the best job access in the region, centered in the triangle of job centers formed by Dallas's Central Business District, I-35 and the Dallas North Tollway, and I-635. This raises an equity issue that the city must work to address through two concurrent strategies. Increase the number of jobs in southern and southeast Dallas, and increase housing affordability in North Dallas. These housing affordability strategies must include homeownership for working and middle class residents. By doing so, the city will both improve the economic opportunities of

Figure 1.5: Population Density, 2014, Collin, Dallas, Denton, Tarrant Counties
 AMERICAN COMMUNITIES SURVEY 5-YR ESTIMATES



existing residents, and increase the viability of the city for attracting new residents.

A map of poverty rates, reiterates the challenges of southeast Dallas, particularly as it relates to job access (Figure 1.13), mirroring the Figure 1.11 income map. It is encouraging, however, that poverty rates in much of southern Dallas are decreasing (Figure 1.14). The extent to which these decreases in poverty are due to gentrification, out-migration, or population decline requires further exploration.

Overall, Dallas has a number of shortcomings in regional competitiveness and a number of advantages. It has both pockets of significant wealth and excellent access to jobs, and areas of high poverty and high unemployment that are also job deserts. This “barbell” economy and its related geography will be further confirmed in the following section on housing markets. The City has identified the need to attract and retain the middle class in its Neighborhood Plus plan, and must make every effort to fill this gap, while improving conditions for its existing impoverished residents.

Figure 1.6: Change in Population Density, 2011 - 2014, Collin, Dallas, Denton, Tarrant Counties
 ACS 5-YR ESTIMATES

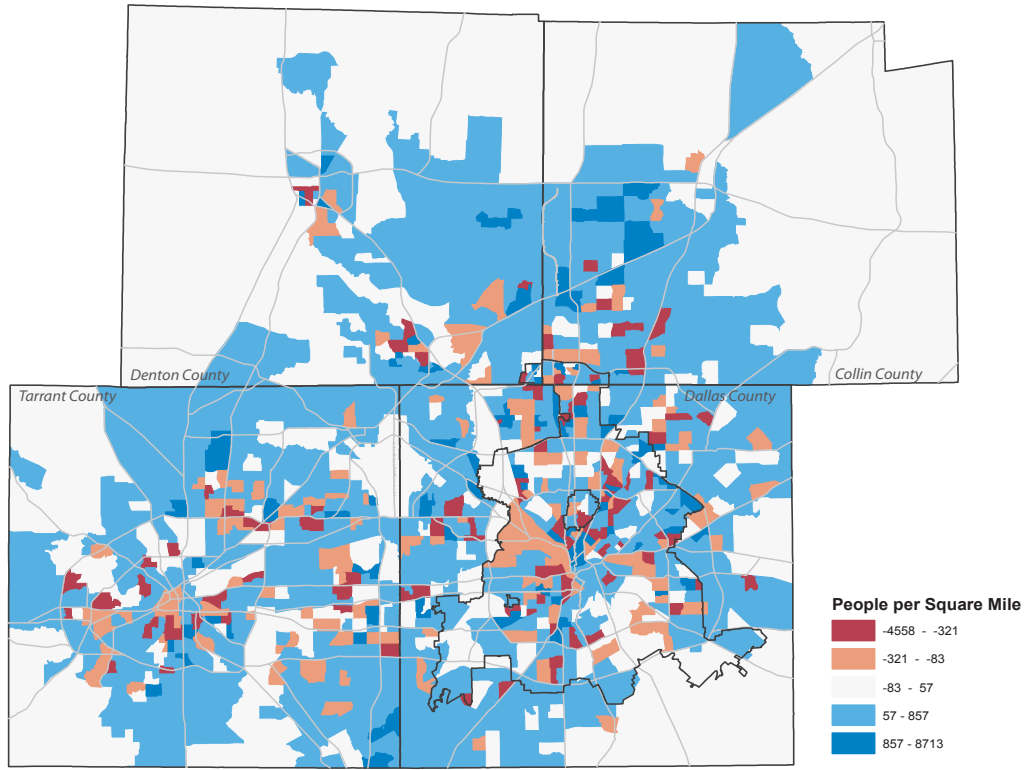


Figure 1.7: Job Density in Collin, Dallas, Denton, Tarrant Counties, 2013
 U.S. CENSUS BUREAU, LONGITUDINAL EMPLOYER-HOUSEHOLD DYNAMICS (LEHD), 2013

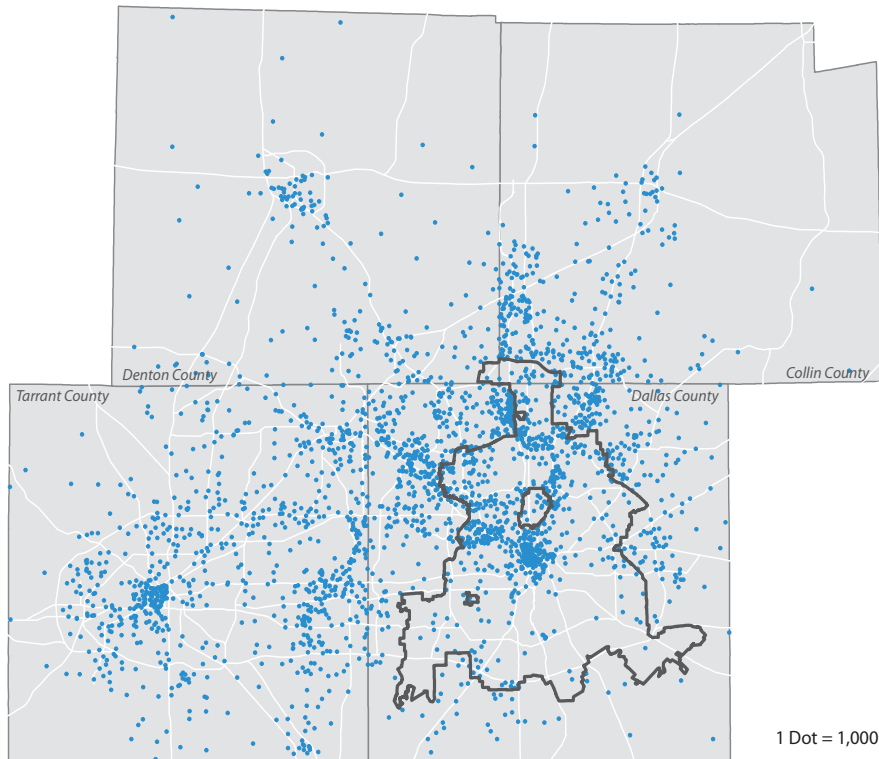


Figure 1.8: Change in Jobs, 2011 - 2013
 LEHD, 2011, 2013

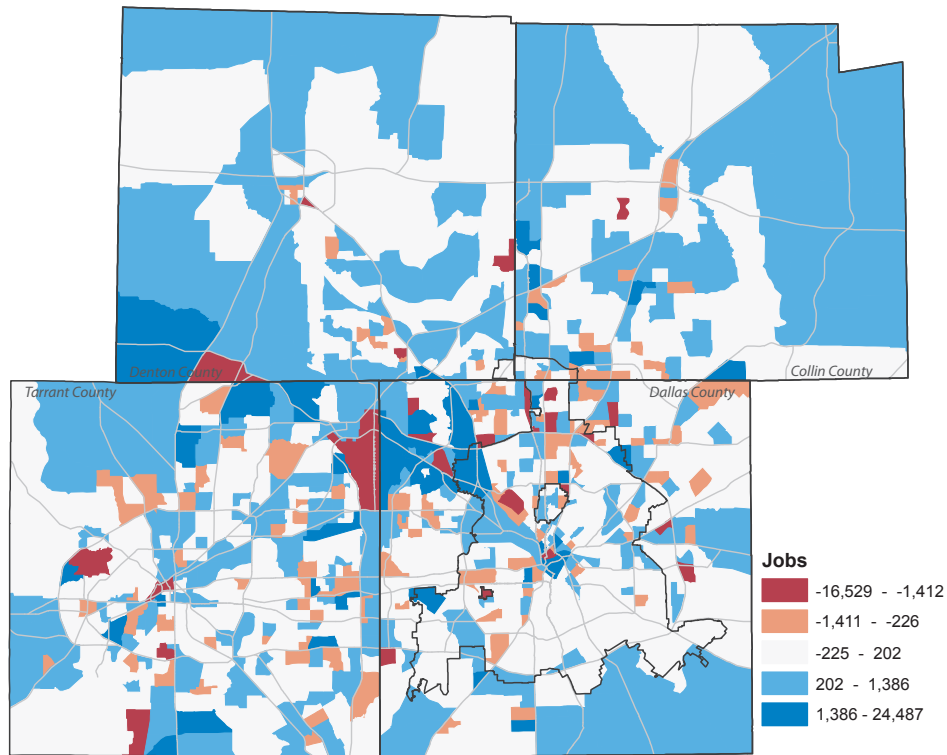


Figure 1.9: Change in Population Density, 2011 - 2014, Collin, Dallas, Denton, Tarrant Counties
 ACS, 5-YR ESTIMATES

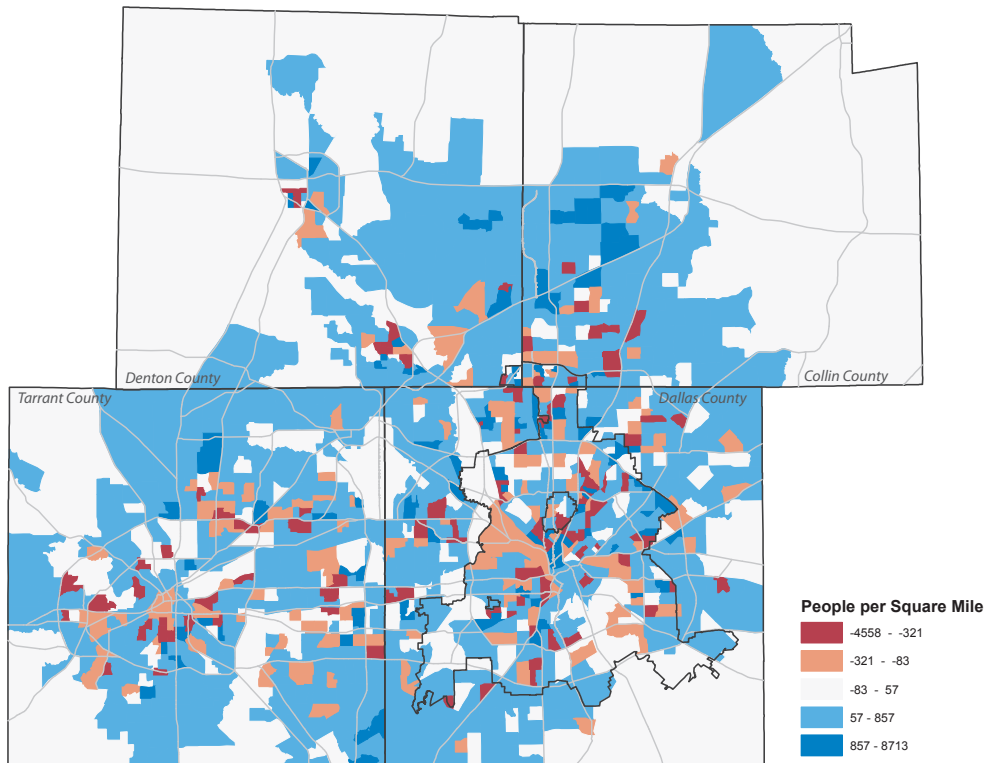


Figure 1.10: Unemployment by City Over Time, 2011 - 2014
 ACS, 5-YR ESTIMATES

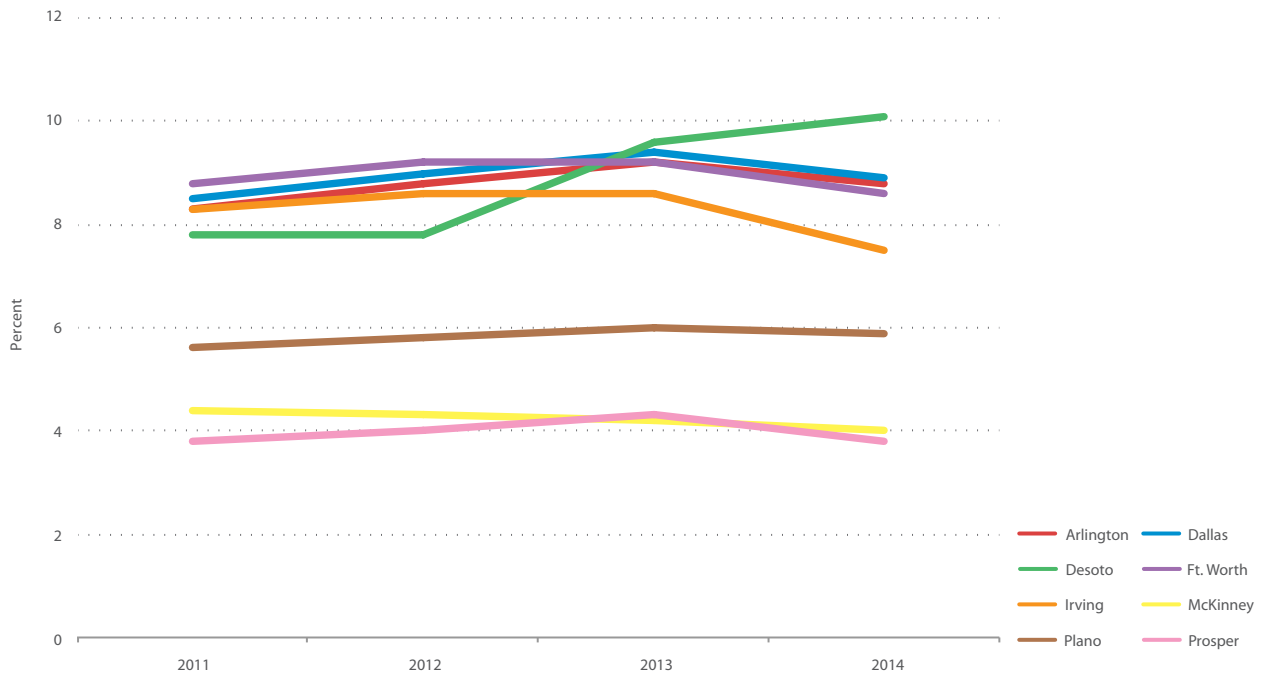


Figure 1.11: Median Income by Census Tract, 2014, Collin, Dallas, Denton, Tarrant Counties
 ACS, 5-YR ESTIMATES

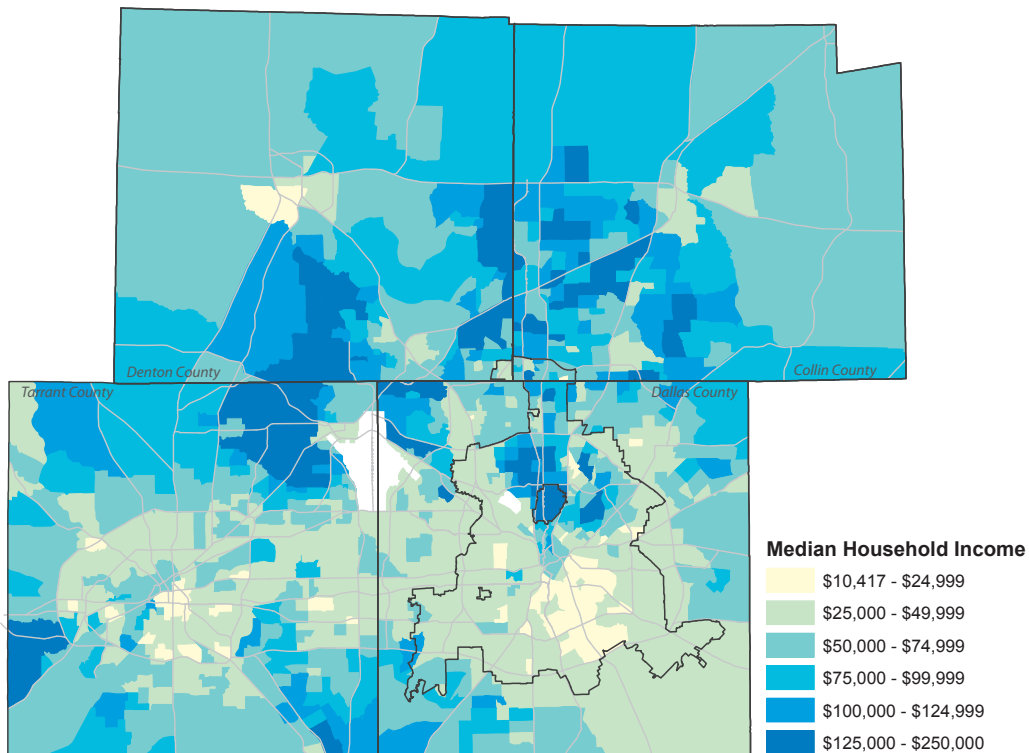


Figure 1.13: Poverty by Census Tract, 2014, Collin, Dallas, Denton, Tarrant Counties
 ACS, 5-YR ESTIMATES

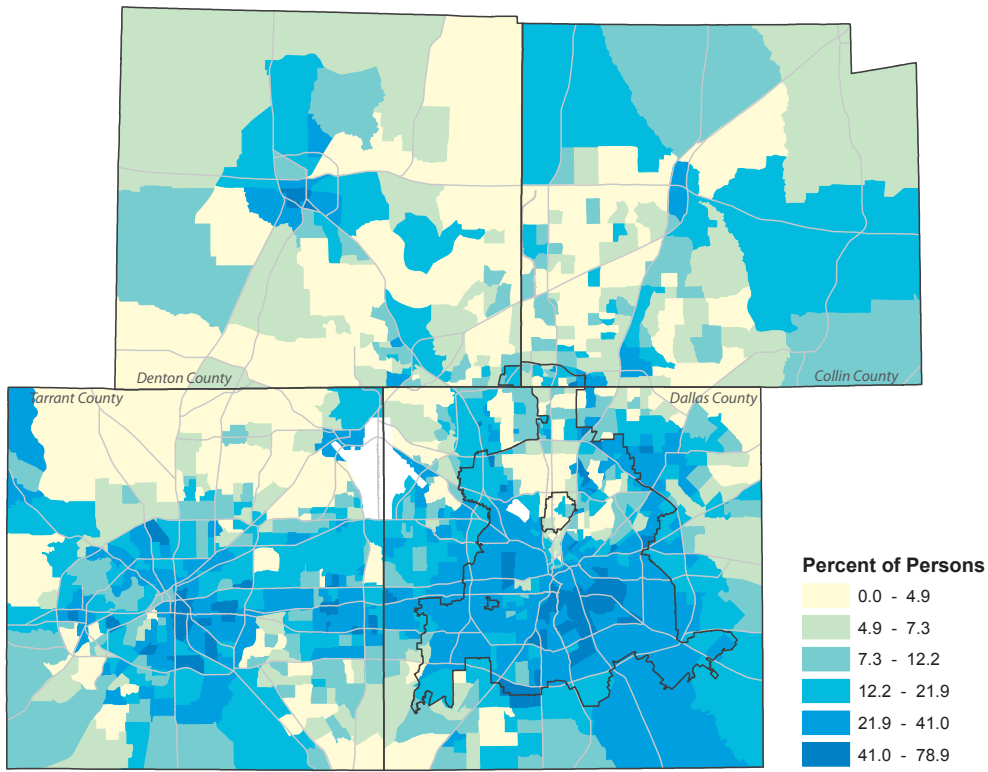
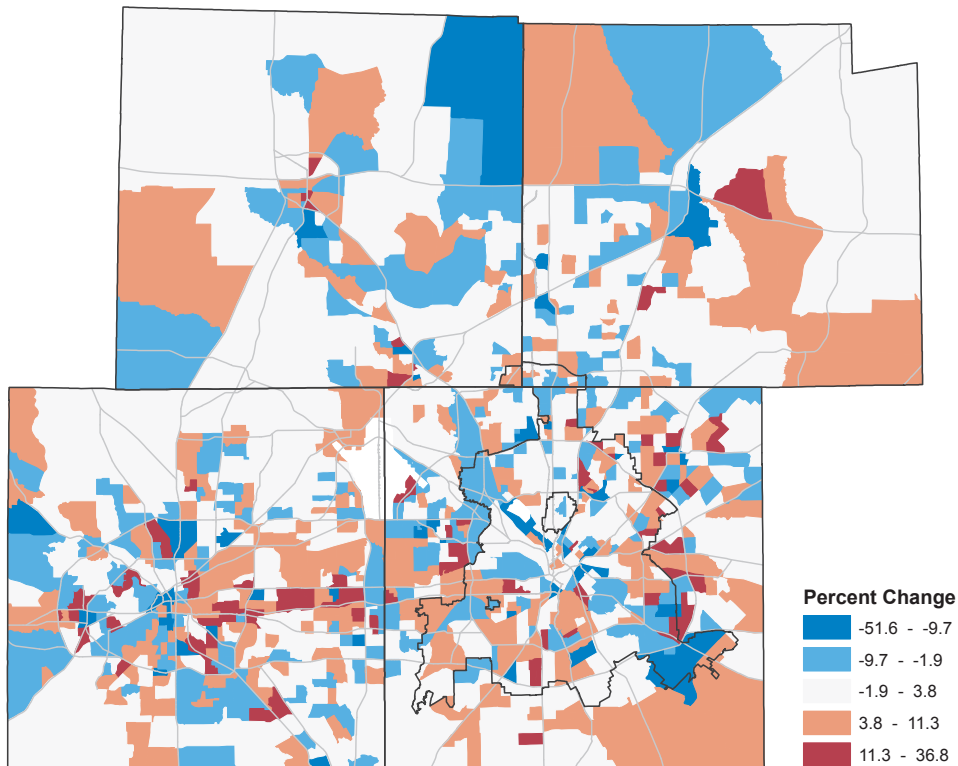


Figure 1.14: Change in Poverty, 2011 - 2014, Collin, Dallas, Denton, Tarrant Counties
 ACS, 5-YR ESTIMATES



2. MARKET FOR HOMEOWNERSHIP

This section of the report characterizes the dynamics of the housing market in Dallas and North Texas, and pinpoints strong housing markets and significant trends that suggest shifts towards or away from that condition, including for low and moderate income buyers. This analysis utilizes MLS data from the North Texas Real Estate Information Systems, building permit data from the City of Dallas and from the U.S. Census Bureau, mortgage data from the Home Mortgage Disclosure Act, and appraisal data from the Dallas Central Appraisal District. Together, these data sets give a fuller picture of the people, loans, homes, and land that make up North Texas, and specifically Dallas housing markets.

The Market for Homeownership section will focus on a handful of relatively simple measures related to home sales, which will begin to clarify the homeownership market in North Texas, including: number of days on market, closing price, the size and age of sold homes, and the type of home- divided into single-family, condo, or townhome. Mortgage and building permit data is also analyzed here to better understand housing demand and changes in supply.

By analyzing these measures according to geography, demography, and typology, this report will demonstrate some underlying truths about supply and demand and affordability in North Texas. Finally, we will combine several measures into a Market Health index and profile the ten highest and lowest scoring census tracts on the index in order to get a better sense of the complexion of hot and cold sub-markets in North Texas, hot being markets that show high demand based on sales activity, length of time on market, and price increase, cold being the opposite.

Dallas must begin to take a regional approach to housing, and affordable housing in particular, in order to be more competitive with its neighbors, by either becoming more directly competitive or recognizing and exploiting underserved market niches. Dallas must also begin taking a more market-oriented approach towards low and middle income housing to increase the per-dollar efficiency of public subsidy for housing.

Geography

The North Texas housing market has been extremely hot nearly across the board over the past few years, with price increases and houses being snapped up quickly, putting pressure on home production to keep up.

Number of days on market, while imperfect, can be used to gauge the popularity of a housing market. The metric refers to the number of days it takes for a home to sell once listed. According to this metric, Dallas is less popular

among homebuyers than surrounding counties, in particular those seeking less expensive homes. Homes that sold for between 150 and 200 thousand dollars, were listed for only about 60% as long in Denton and Collin counties than in the city of Dallas. Homes that sold for more than 300 thousand dollars, however, spent less time on the market in the city of Dallas than anywhere else in North Texas. In short, inexpensive homes in Dallas are less desirable than inexpensive homes elsewhere, and expensive homes in Dallas are more desirable than expensive homes elsewhere. (Figure 2.2)

Within Dallas, there were pockets where the median amount of time listed was under two weeks, including just north of White Rock Lake, in Far North Dallas, along I-20, west and southwest towards Mountain Creek Lake, and along the Trinity River in East Oak Cliff [Figure 2.1]. The areas around White Rock Lake consistently spent less time on the market for the city as a whole, as did stretches of Dallas due east from downtown such as Jubilee Park and Owenwood, and Uptown. North Dallas between the Dallas North Tollway and Central Expressway, the southern parts of Fair Park/South Dallas, and stretches of southwest Oak Cliff spent more time on the market than the typical Dallas home, but for the most part homes all over the city were sold relatively quickly in under six weeks.

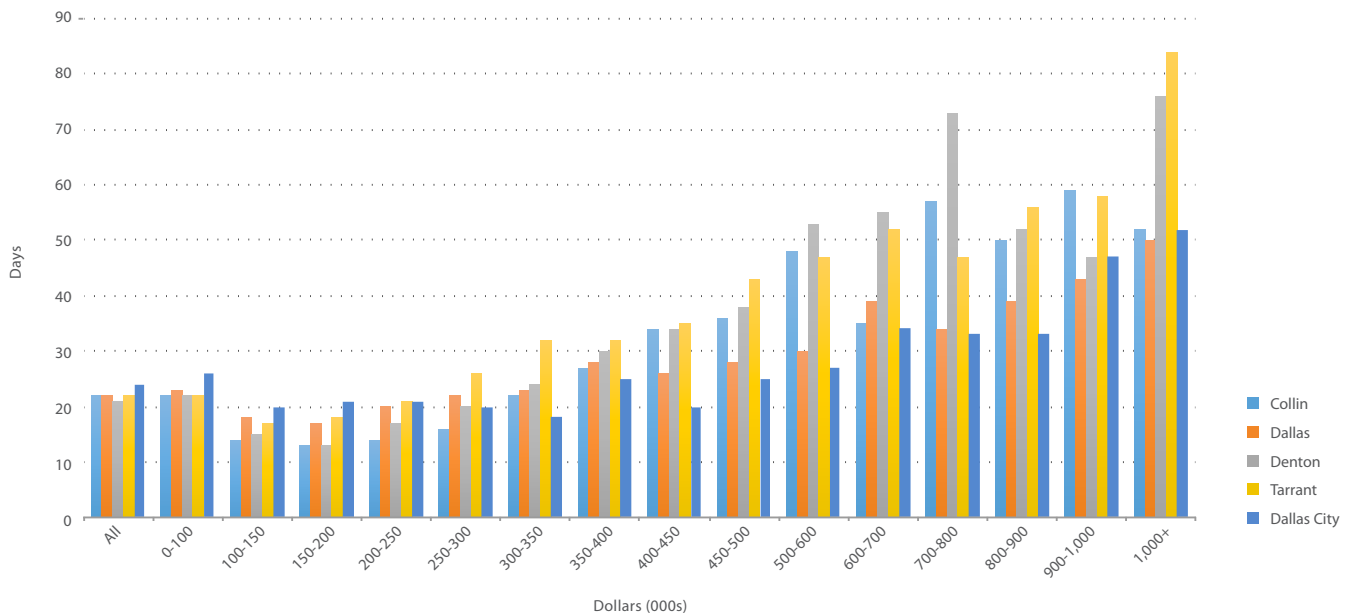
More telling than the days on market statistic alone is the change in days on market. Figure 2.1a shows the change in days on market for each Dallas census tract relative to North Texas as a whole from 2010 to 2015. In this metric (and in figures 2.7a and 2.5b), a score of 1 represents that the neighborhood kept identical pace with the region. A score below one means that the number of days homes in that neighborhood

were listed, decreased more quickly than the region, thus indicating a surge in demand; a score above one means the opposite. While the number of days on market dropped across the board from 2010, demand for housing in southern Dallas was outpaced considerably by the rest of North Texas, with the exception of north Oak Cliff and parts of the city along Interstate 20 which essentially kept pace with the region. Uptown, Oak Lawn, East Dallas, parts of Lake Highlands, Northwest Dallas and Far North Dallas- wealthier neighborhoods with more expensive housing stock- had the median number of days on market for homes drop much more quickly than the region as a whole.

Volume of sales is another metric by which we can compare the demand among markets, particularly when viewed per number of households. By this metric Dallas ranks near the bottom of cities measured, only topping Irving [Figure 2.6]. Between 2011 and 2013 Dallas experienced growth in homes sold per household, before decreasing the following year. High growth exurbs with significant greenfield development and subdivision activity such as Prosper and McKinney experienced the greatest volume of sales per household but actually declined by this metric between 2013 and 2014. Much of Dallas's deficit in this measure is attributable to the high number of households renting in Dallas when compared to the region. Because the market as a whole saw such a large surge in demands, Southern Dallas's more tepid growth suggests that the market there did not grow in appeal to North Texas homebuyers between 2010 and 2015.

The significance of the volume of sales is heightened at the tract level, where the stark polarization of market activity between areas of Dallas is clearly depicted [Figure 2.7] In many

Figure 2.2: Median Days On Market by Sales Price and County, 2015
 NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)



census tracts in southern Dallas, including East Oak Cliff, fewer than 40 homes were sold in 2015. In West Dallas and areas of South Dallas/Fair Park, fewer than 15 homes were sold per tract. These numbers reflect the severity of the myriad challenges holding back these markets: high rates of vacancy, concentrated poverty, racial and economic segregation, low rates of owner-occupancy, poor performing schools, poor credit access, and aging and deteriorating housing stock, which will be elaborated in the following chapter. On the other hand, the neighborhoods surrounding White Rock Lake, and Uptown and Oak Lawn saw a frenzy of home sales.

Home sales did grow at a faster clip in many Dallas census tracts than within the region as a whole. In particular, encouraging trends can be seen in La Bajada in West Dallas, the Farmers Market District and Cedars, Jubilee Park and Owenwood south of Interstate-30 and east of downtown Dallas and scattered in north and west Oak Cliff [Figure 2.7a]. The housing bloom in Uptown and Oak

Lawn is extending northwest towards Love Field. These neighborhood housing markets need continued nurturing and encouragement, while simultaneously ensuring long-term affordability and displacement prevention, which may be accomplished with policy solutions including land trusts and protective tax and zoning overlays, some of which are suggested in Neighborhood Plus. What is critically important is that the city use data to identify where and how to balance proactive market stimulation with affordability considerations, and measure effectiveness.

A final metric of the success of a housing market is changes in sales price over time. Dallas experienced greater price increases than all other cities measured between 2011 and 2013, indicating a significantly increased demand for homes in the city, though these increases have tapered since [Figure 2.5a]. This analysis cannot pinpoint the reasons for these price increases and decelerations, but suggests Dallas has the potential to compete with its neighbors for

Figure 2.1: Median Days On Market by Census Tract, Dallas, 2015
NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

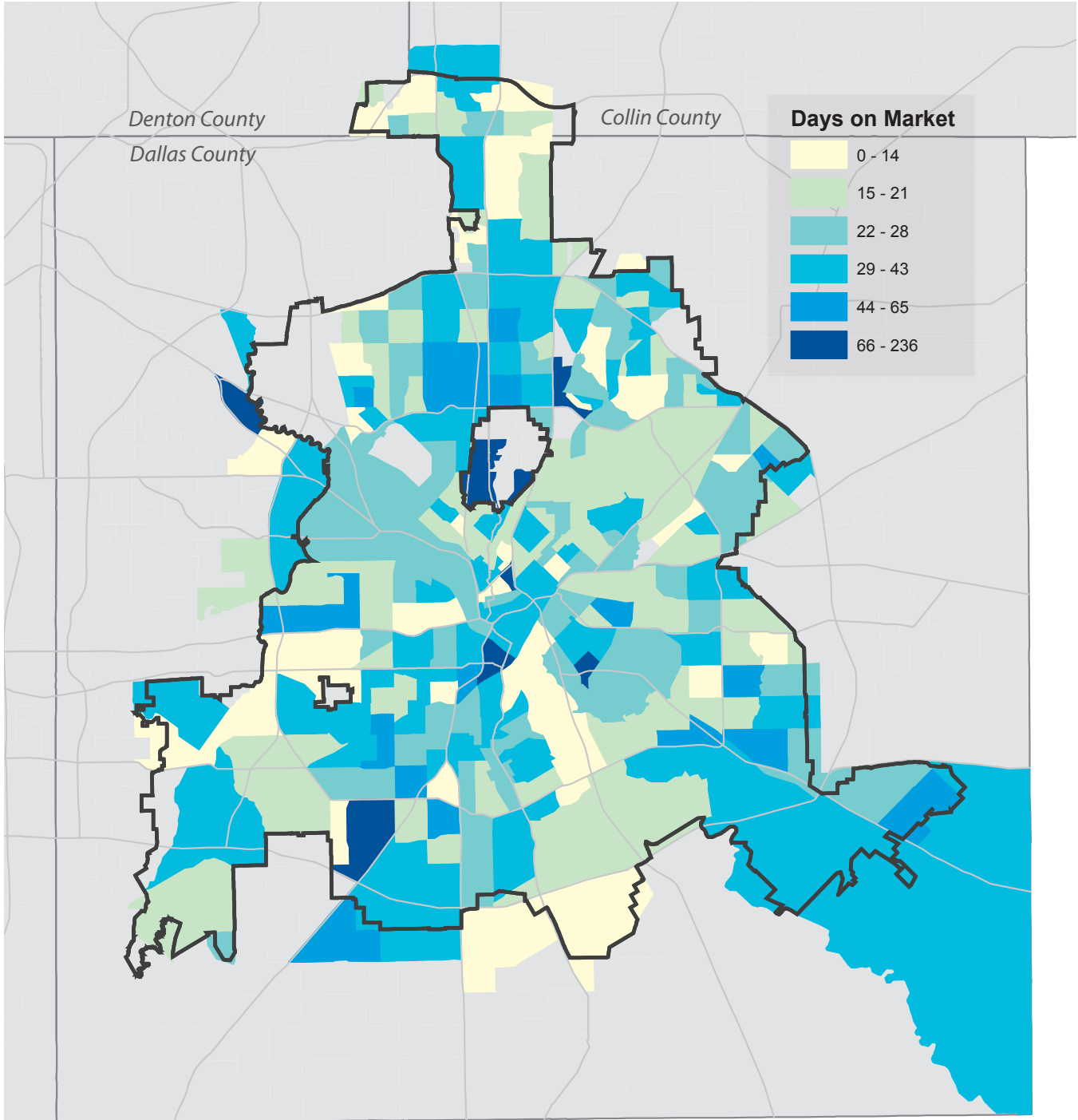


Figure 2.1a: Change in Median Days On Market (Compared to Region) by Census Tract, Dallas, 2010 - 2015
NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

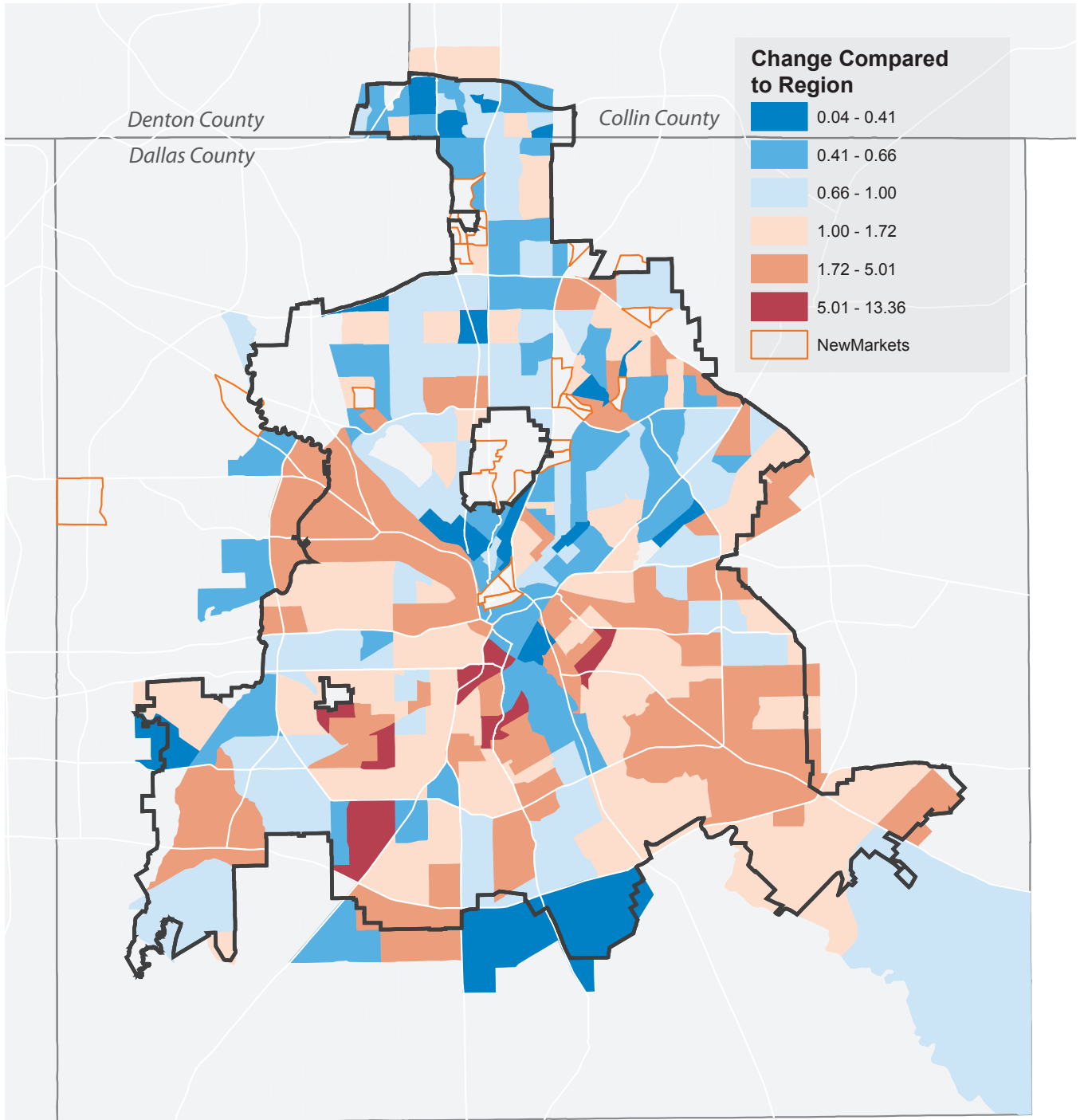
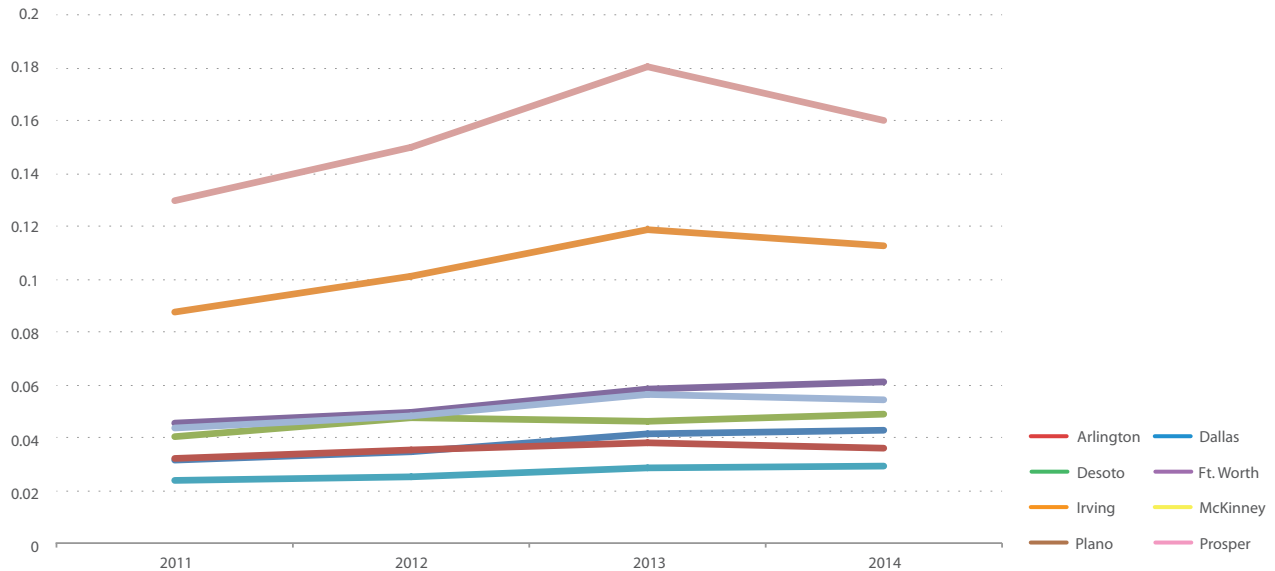


Figure 2.6: Home Sales per Household by City, 2011-2014
 ACS 5-YR ESTIMATES, NTREIS



homebuyers. Although the median value of homes in Dallas sits squarely in the middle of surrounding cities, other measures depict the barbell nature of Dallas’s market, suggesting that coveted middle income households still reject Dallas, while wealthy and poor households prefer the city, whether by choice or necessity, to other North Texas markets.

The most significant increases in sales prices by census tract from 2010 to 2015 when compared to the region, occurred in some of the cities most depressed markets in South Dallas/Fair Park and East Oak Cliff [Figure 2.5b]. It is worth noting that in some of these markets that price change could be driven by only a few home sales, and that the median sales price in these neighborhoods is still well below the median for North Texas. The huge sales price increases further west in Oak Cliff may be more important for affordable housing as they point to greater demand and higher incomes entering the neighborhood. As homes in these areas approach the median for the region, further study by the city is needed to understand

the basis for these emerging middle class neighborhoods, and how to preserve affordability while encouraging market activity.

At the city level, building permit data broadly demonstrates demand as represented by new construction. Regionally, new construction is broadly affordable for and geared to working and middle class, frequently white homebuyers, a demographic conspicuously underrepresented in Dallas. Such development is also demonstrably easier, cheaper, and more desirable when occurring in suburban, and in particular, exurban areas.

The effect of the Great Recession is made clear in building permit figures. Every city analyzed here, with the exception of Prosper, saw precipitous drops in single-family building permits between 2006 and 2008. Beginning in 2011, Dallas’s rate of recovery in single-family new construction was on par with Plano, McKinney and Irving. In fact, Dallas had more new building permits issued for single-family homes in 2014 than Plano,

Figure 2.7: Home Sales by Tract, Dallas, 2015
NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

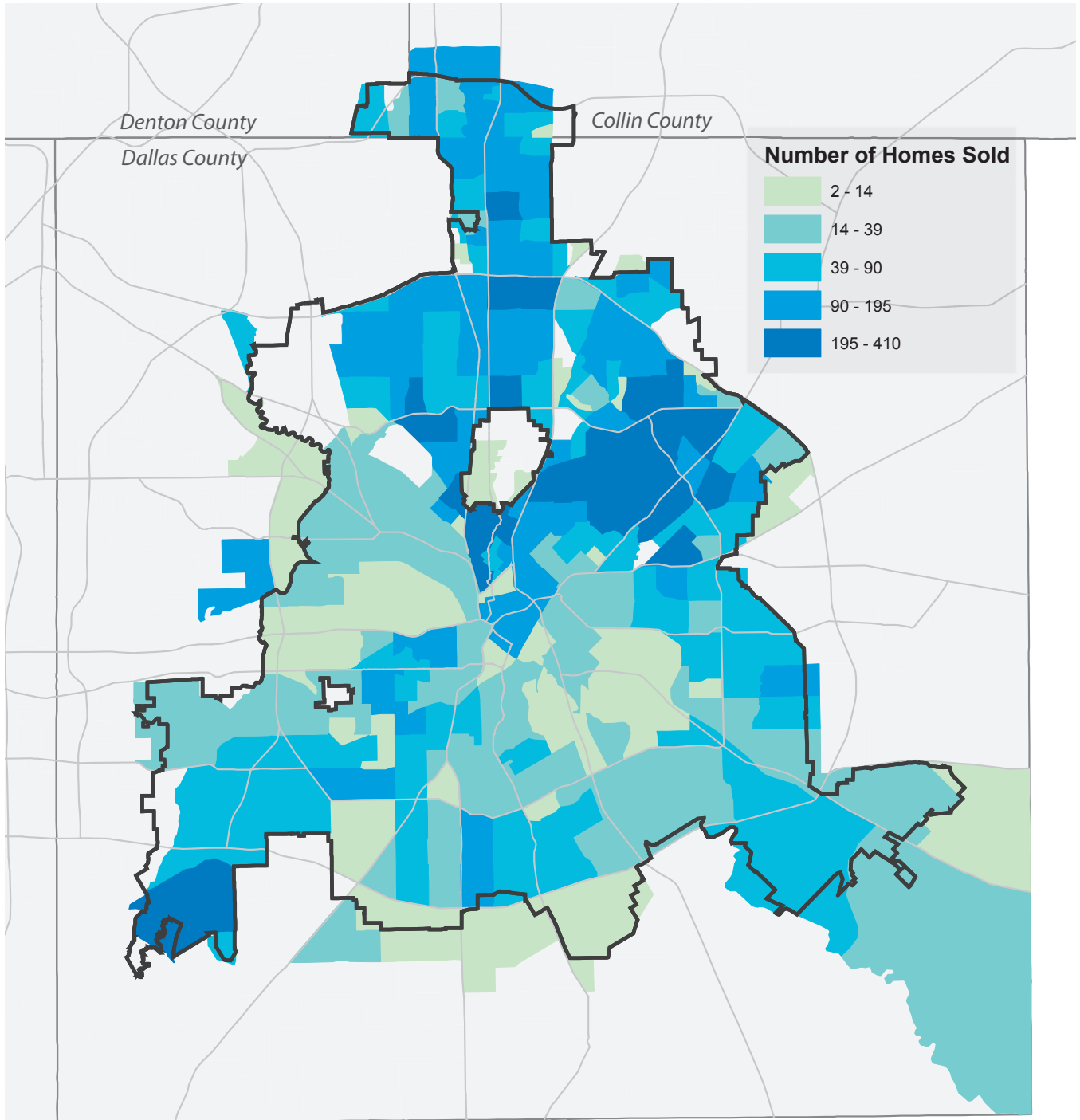


Figure 2.7a: Change in Volume of Homes Sold, Dallas, 2010 - 2015

NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

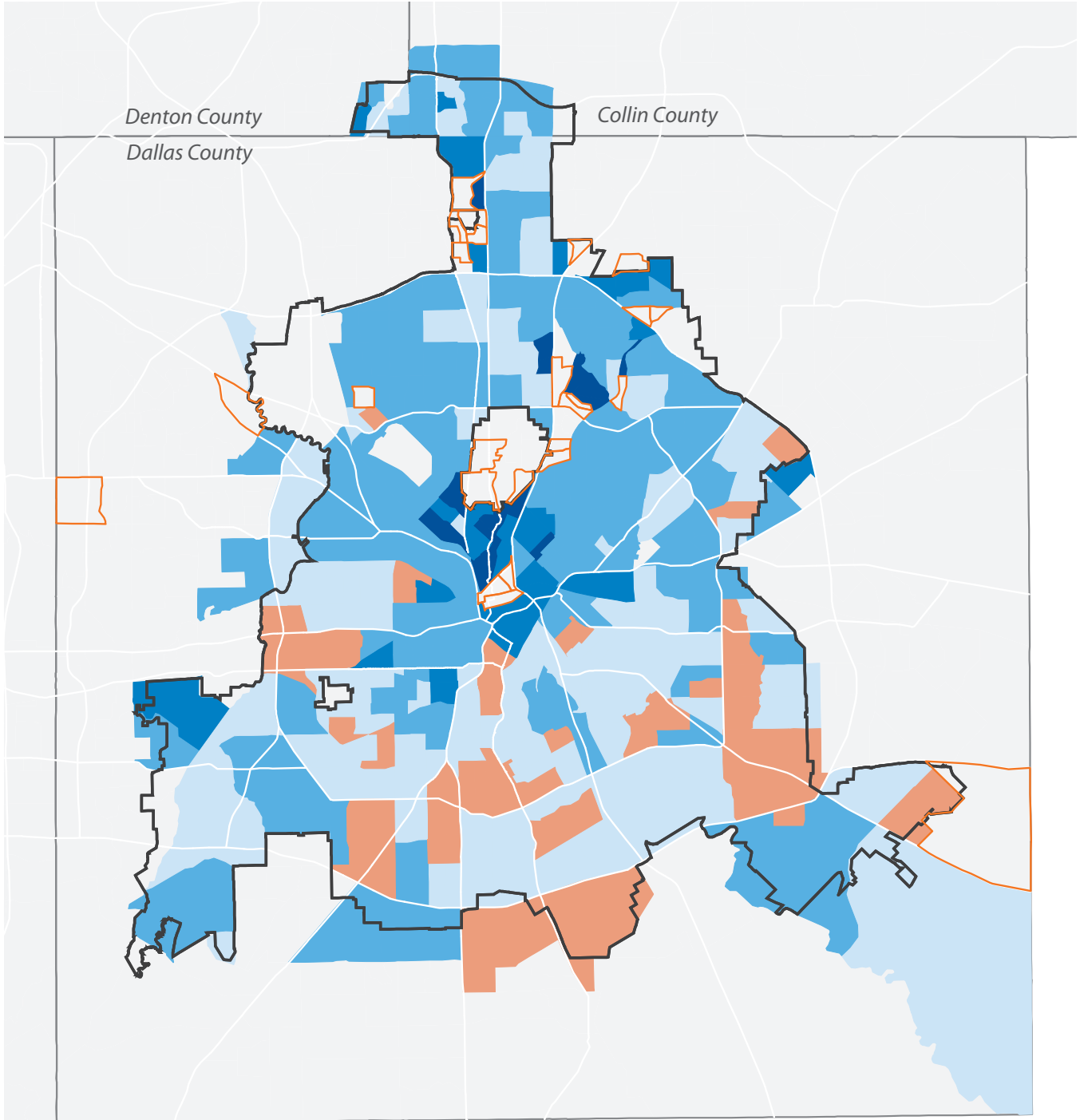


Figure 2.5a: Median Sales Price by Tract, Dallas, 2015

NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

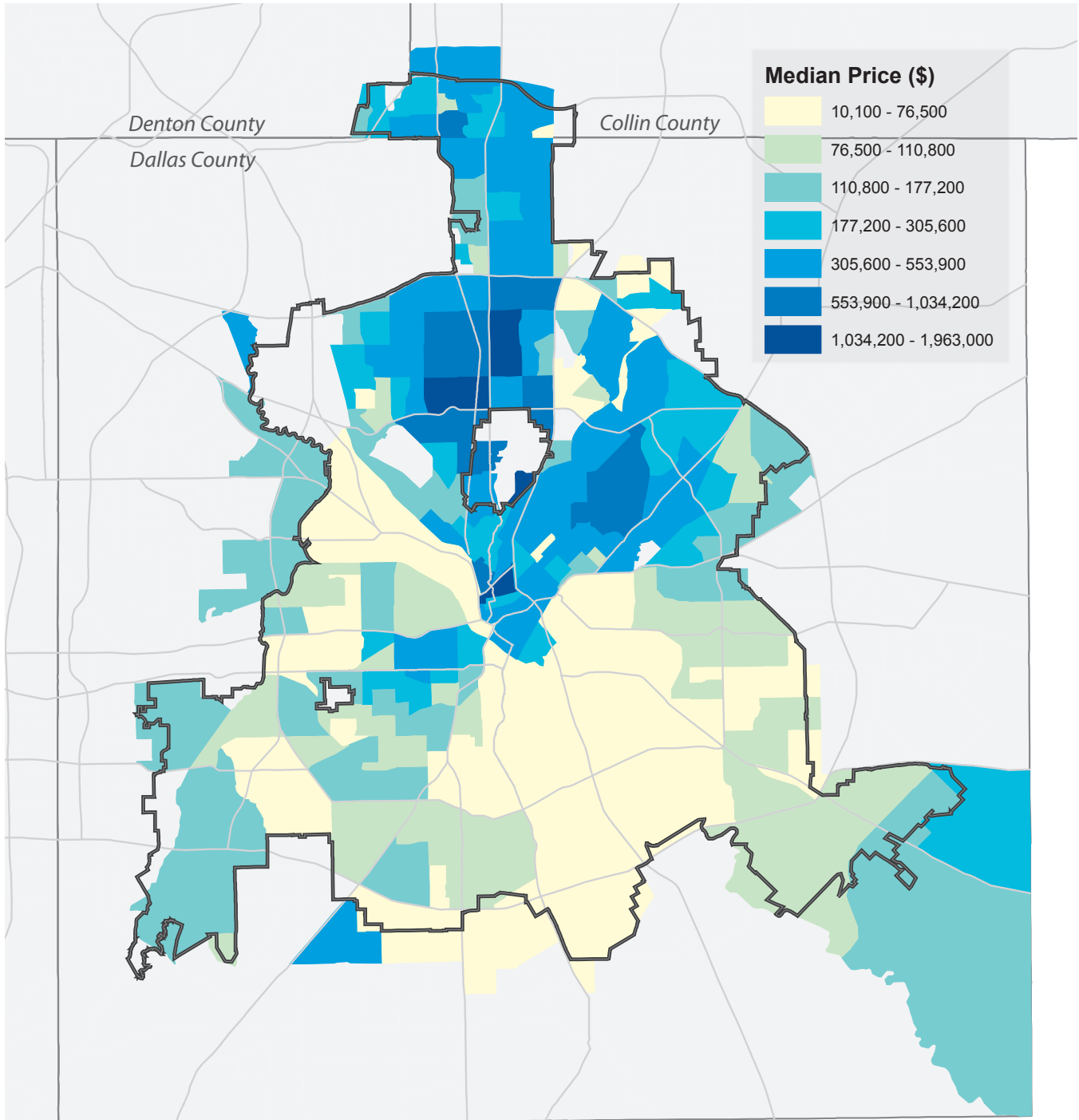


Figure 2.5b: Change in Median Sales Price, Dallas, 2010-2015

NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

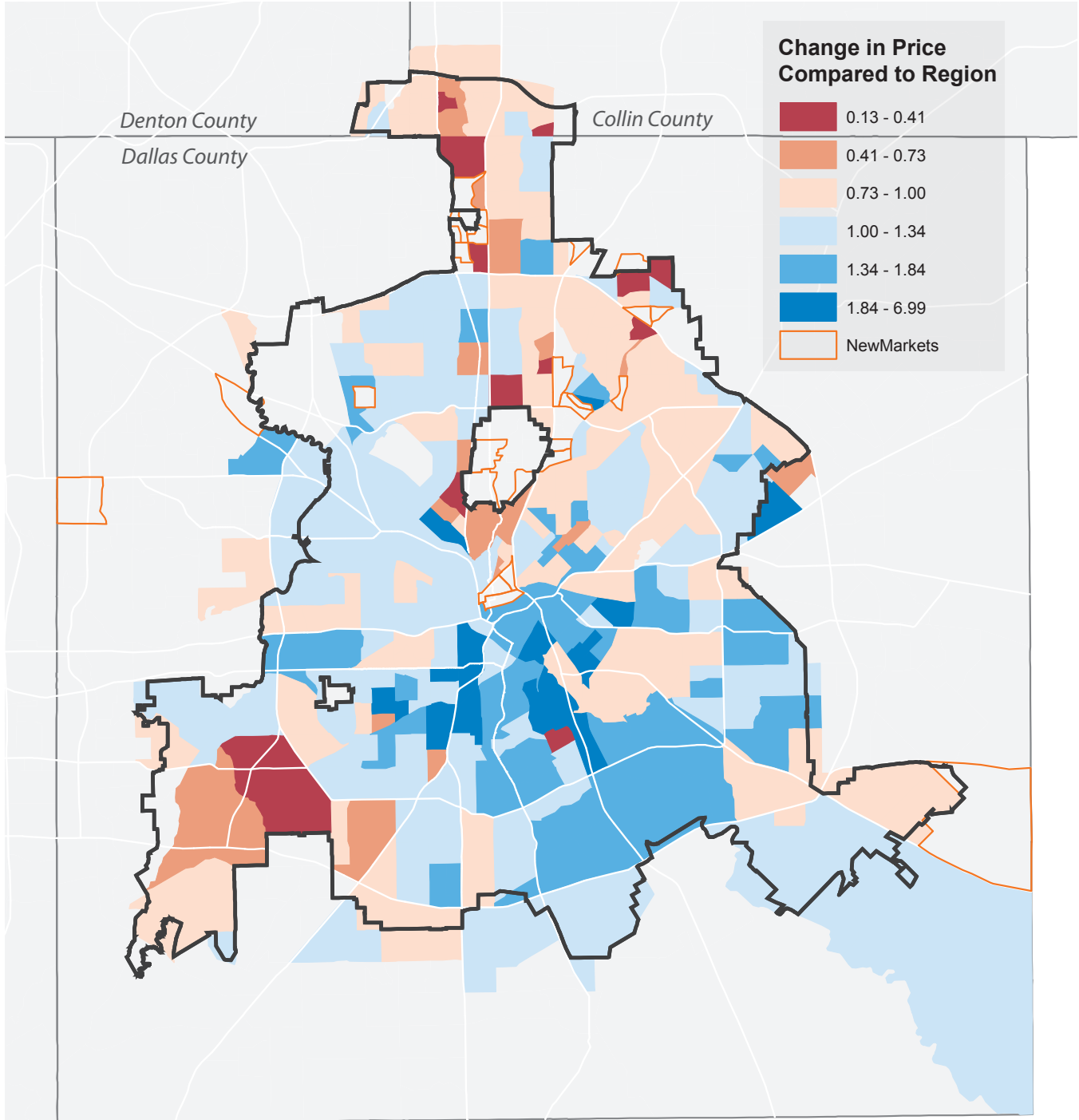


Figure 2.8: Single-Family Building Permits by City
 NORTH TEXAS REAL ESTATE INFORMATION SYSTEMS (NTREIS)

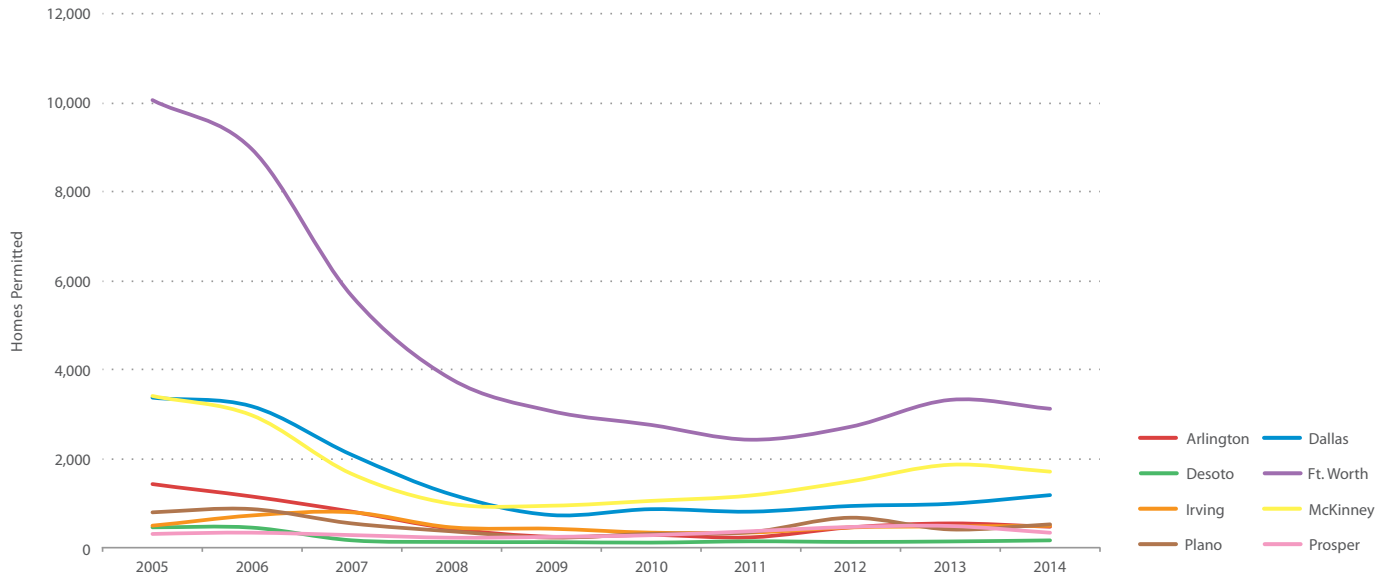


Figure 2.8a: Single Family Building Permit Density
 New Construction, 2015
 CITY OF DALLAS

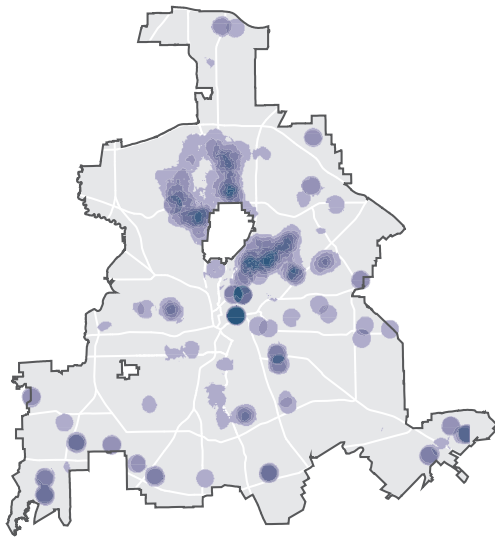


Figure 2.8b: Single Family Building Permit Density
 Demolition, 2015
 CITY OF DALLAS

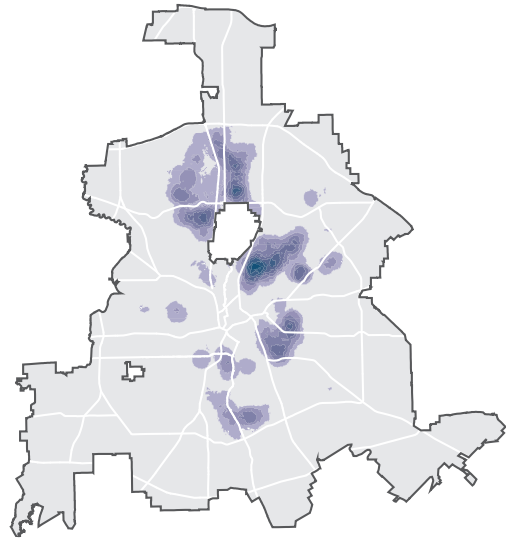


Figure 2.9: Mortgage Applications by County by Race, 2014

HOME MORTGAGE DISCLOSURE ACT (HMDA)

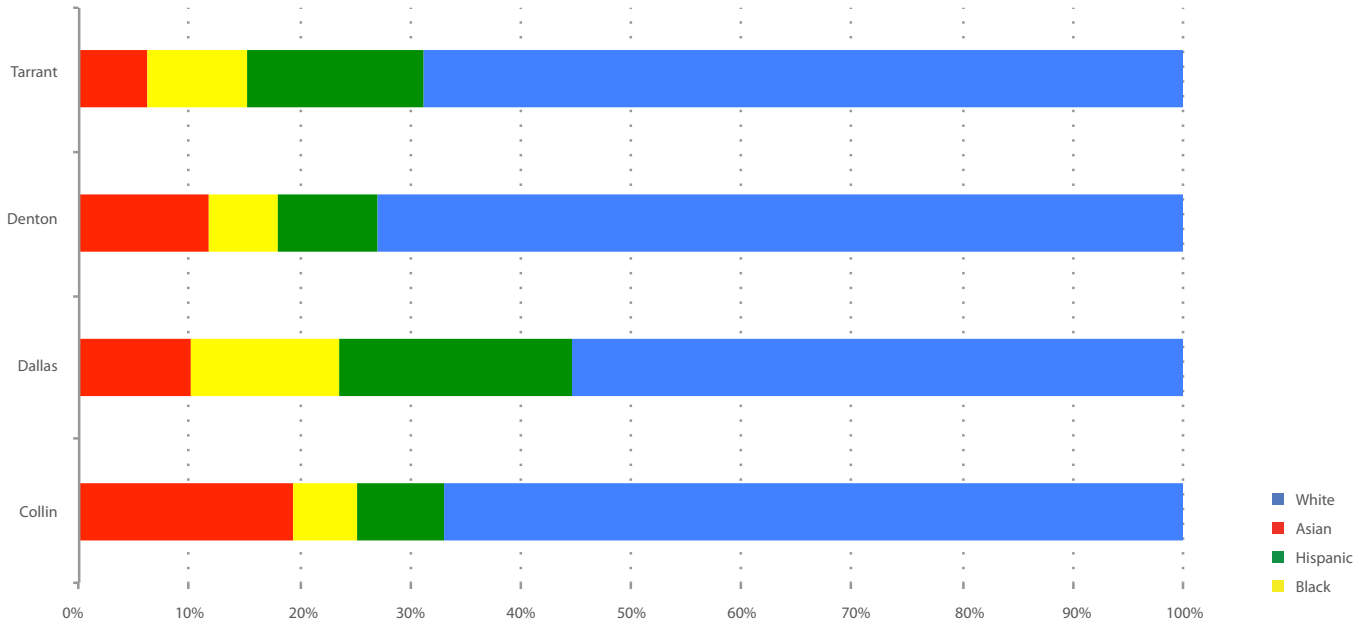
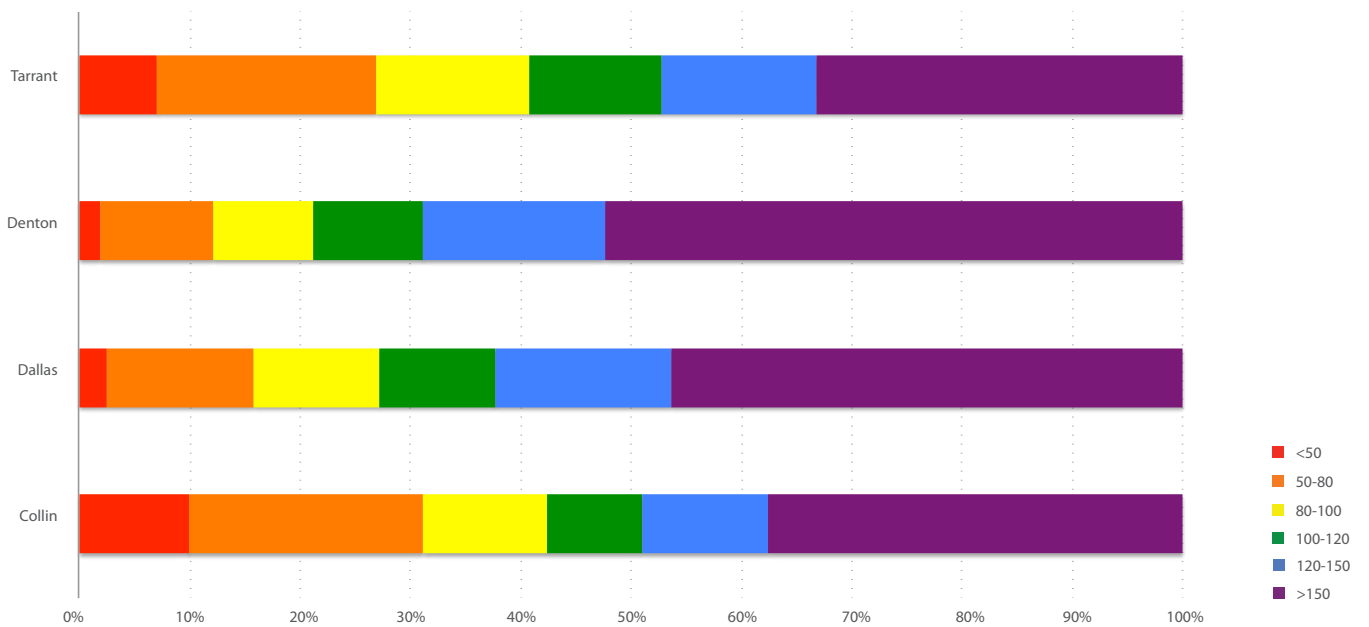


Figure 2.10: Mortgage Applications by Income (as Percent of AMI) by County, 2014

HOME MORTGAGE DISCLOSURE ACT (HMDA)



Prosper, and Desoto combined. However, much of this new construction was not necessarily infill or greenfield development, but, as will be shown, replacing teardowns in high-income neighborhoods. [Figure 2.8]

New construction within the city is focused in marketable areas where construction is either easy or cheap, or high land values demand upward adjustments in the type or size of structure. In Dallas, significant pockets of new construction can be seen in urban areas near Downtown [Figure 2.8a]. These concentrations are mostly townhomes, apartments, and other urban living options. New construction is also significant in high income areas of East Dallas near Lakewood, and to the north and west of the Park Cities. Lastly, there are concentrations of new home construction along the southern rim of the city. These are the most significant additions to Dallas's housing stock that are affordable for working and middle class families. However, these developments are most likely imitative of development occurring in Dallas's suburbs, and have poorer access to jobs, public transit, and amenities than other parts of the city.

Notably, much of the city's demolition activity overlaps geographically with areas of significant new construction, such as East and North Dallas. [Figure 2.8b] This indicates that already valuable housing stock is being replaced with increasingly unaffordable new homes, diminishing the affordable housing impact new construction activity might suggest. The other areas where demolition is prevalent is on the far other end of the socioeconomic spectrum in East Oak Cliff and South Dallas, areas targeted for demolition by the Mayor's Growsouth program. Besides fighting blight, the extent of this demolition creates a carte blanche for scaled redevelopment.

Figure 2.12: Mortgage Applications by Tract
Dallas County, 2014

HMDA

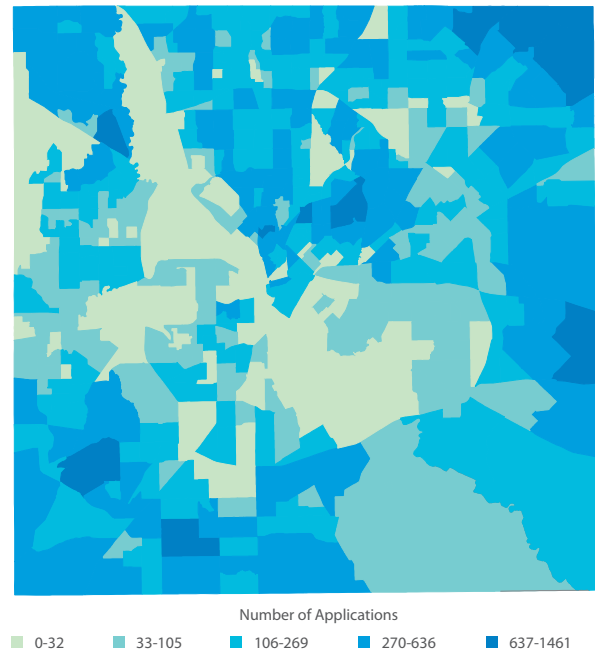


Figure 2.13: Percent Owner-Occupied Households by County, 2014

ACS, 5-YR ESTIMATES

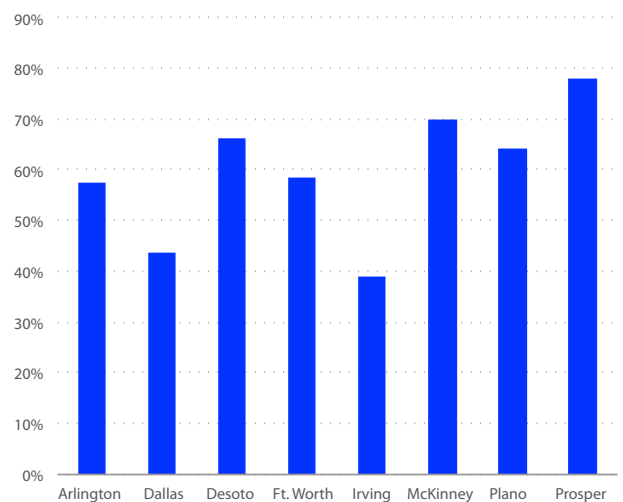


Figure 2.18: Owners and Renters by Age, 2014

ACS, 5-YR ESTIMATES

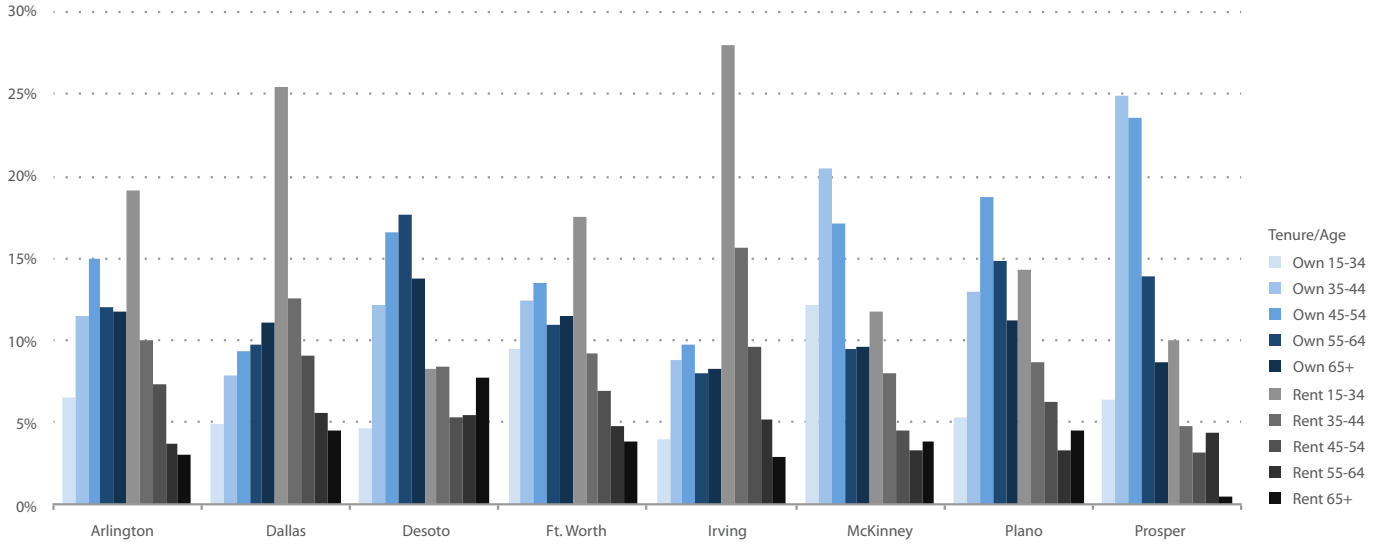


Figure 2.19: Owner-Occupied, Single-Family Detached

ACS 5-YR, 2014

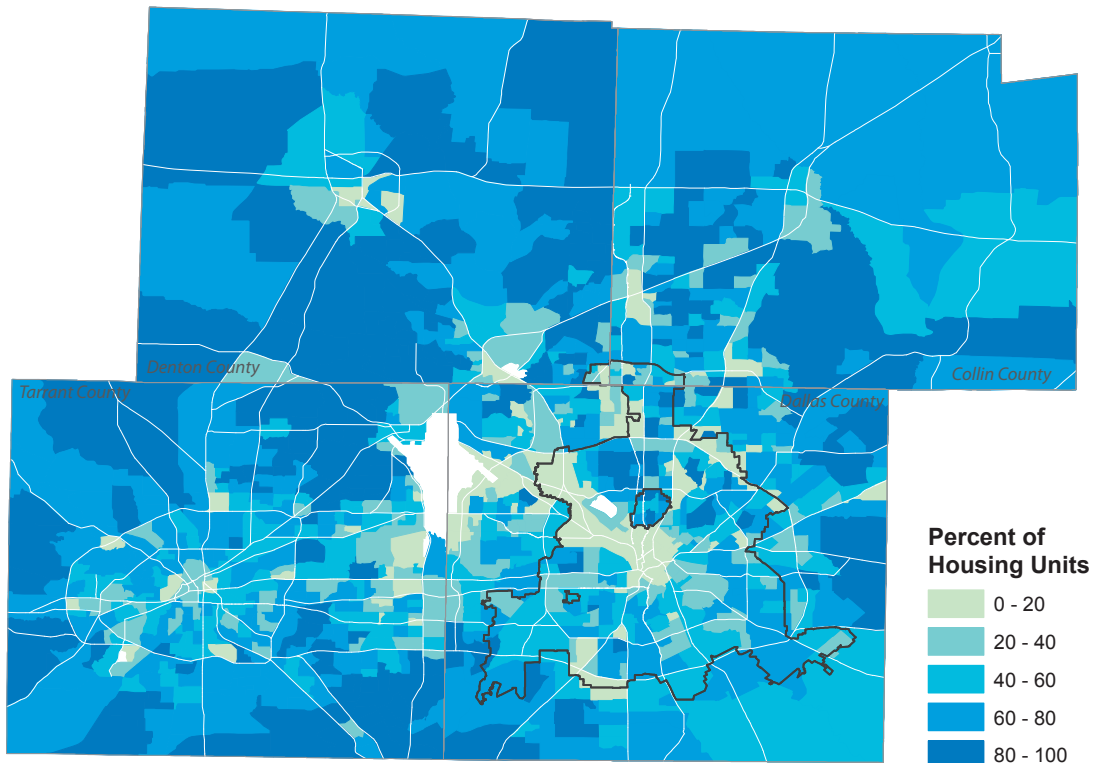
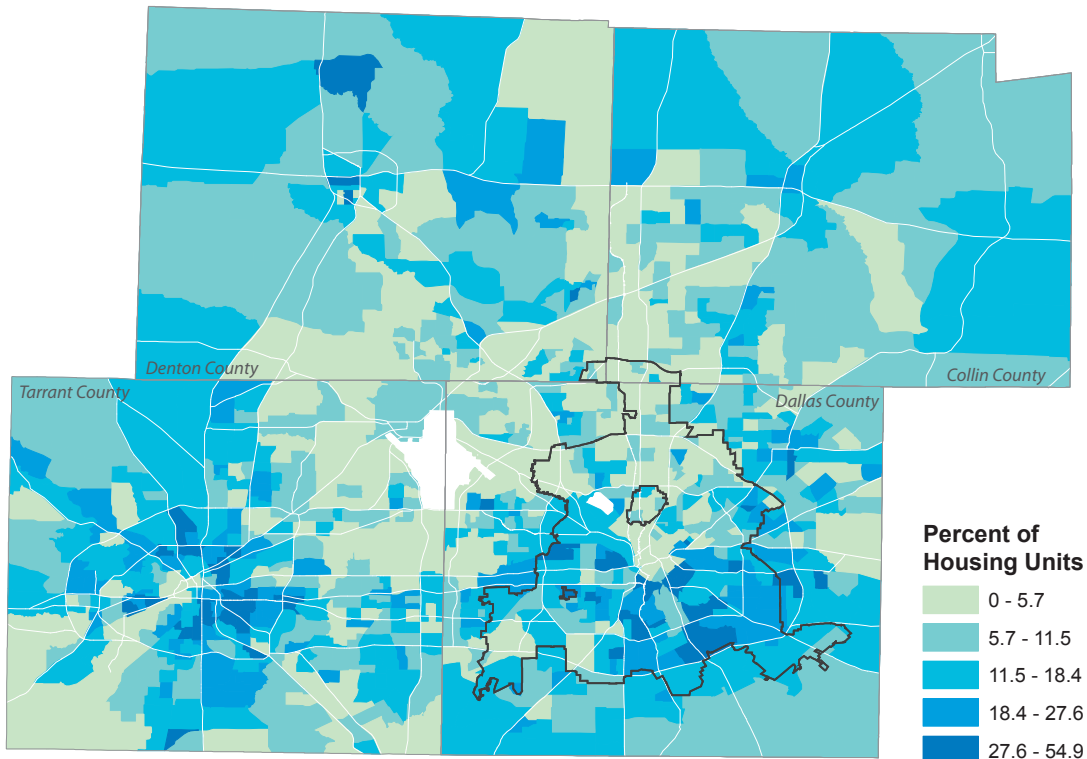


Figure 2.19a: Renter-Occupied, Single-Family Detached
ACS 5-YR, 2014



Homebuyers

Who is buying homes is as important as where that investment is directed. Home Mortgage Disclosure Act data gives a loan-level account of mortgage applicants that can be analyzed by the outcome of a mortgage application and an applicant's race, income, and the value of the loan.

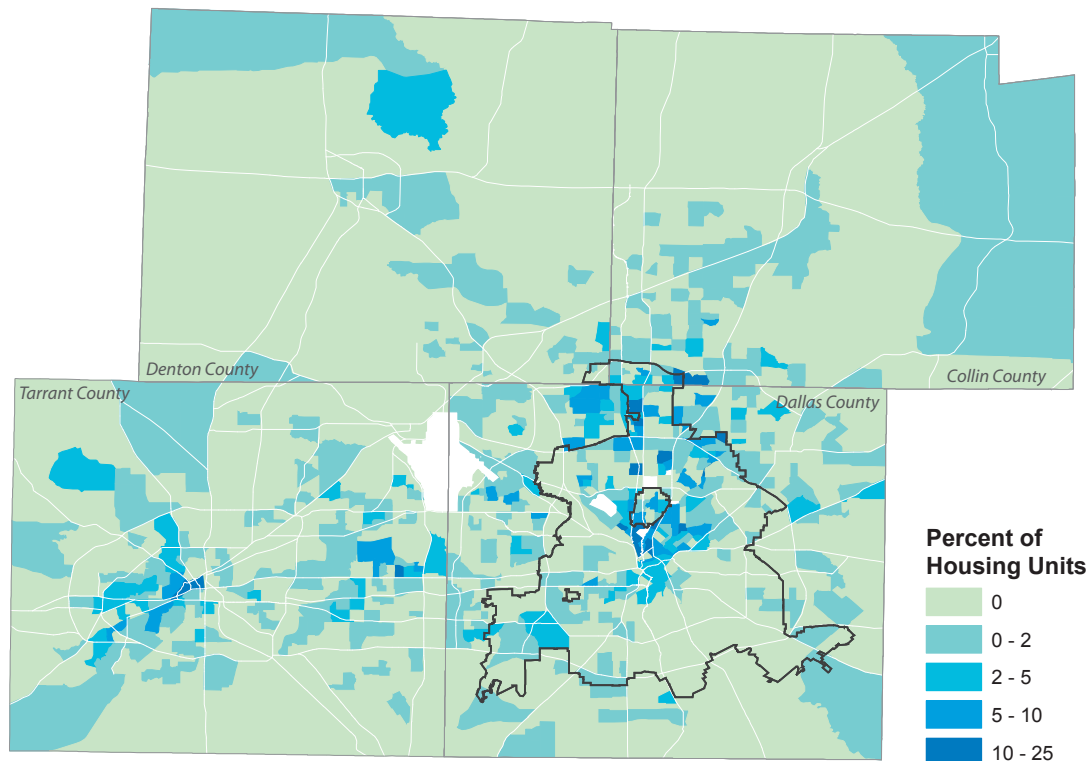
Dallas County has a higher percentage of applications for lower loan values, up to \$200,000, than Denton or Collin Counties, and a higher percentage of very high value loan applications, greater than \$500,000, than the rest of North Texas. [Figure 2.10] Dallas County has a considerably lower rate of white non-Hispanic mortgage applicants than other North Texas counties, and a significantly higher rate of black and Hispanic applicants. Black and Hispanic homebuyers look for homes in Dallas County at a

rate 2.5 times greater than Collin County. [Figure 2.9] Dallas homebuyers are also lower income than their counterparts elsewhere in the region. [Figure 2.11] Homebuyers earning below the AMI apply for mortgages in Dallas at double the rate they apply for homes in Collin County. In short, Dallas homebuyers are more likely to be people of color, poor, and looking for inexpensive houses than homebuyers in Collin and Denton County.

Within Dallas county there are clear geographic trends in mortgage applications. [Figure 2.12] The areas along the Trinity River, particularly East Oak Cliff, have seen very little market interest among homebuyers. In some cases the map is misleading as some of these areas are in floodplain or forest and have little to no development. East Dallas, and Lakewood in particular, have seen very strong homebuyer

Figure 2.19b: Owner-Occupied in Structures with Two or More Units

ACS 5-YR, 2014



interest, as have areas of southwestern Dallas County. While it is not a perfect mirror, the volume of mortgage applications in an area does correspond to that area's wealth, which is to say, there is higher demand to live in wealthier parts of the city.

Tenure

Dallas has a significantly lower owner-occupancy rate than other cities in North Texas, with the exception of Irving. [Figure 2.13] This can be explained, in part, by demographic and economic factors. Dallas is younger, has fewer families, and is poorer than most of its neighbors, characteristics that tend to correlate with renting rather than homeownership. [Figure 2.18] For example, more than a quarter of Dallas households are renters aged 15-34, compared to 10 percent in Prosper. Dallas does have a higher percentage of

older homeowners than most North Texas cities, but lacks young and middle age homeowners. Dallas ought to consider how to convert some of its young renters into short-term and long-term homeowners. This may be through smaller, affordable, urban options in the short term, and high quality but not prohibitively expensive ownership opportunities in more typically Texan neighborhoods for the long term.

Tenure alone does not necessarily drive a neighborhood's market success, and many of the more successful neighborhood-level markets in Dallas have a mixture of ownership and housing types, as can be seen by comparing Figure 2.19[a-b] and Figures 2.26-2.28. However, there does appear to be a correlation between the geography of wealth with homeownership, and the between poverty and renting.

In particular, as Figure 2.19a demonstrates, single-family tend to have a higher renter-occupancy in West Dallas, South Dallas/Fair Park and East Oak Cliff. Census tracts in these areas can have single-family rentals constitute as high as 50% of all housing units.

In most of the neighborhoods across the four counties studied here, fewer than 2% of housing units are owned in multi-unit complexes [Figure 2.19b]. The exceptions are in Dallas's urban core, East Dallas, Addison, and parts of Richardson, where between 10% and 25% of all housing units are owner occupied in multi-unit complexes.

Characteristics of Homes Sold

The following section elaborates on the “what” of the North Texas homeownership market. What types of homes are people buying? When were they built? How are they valued? How large are they? Answers to these questions are consolidated into the rich Figures 2.21 - 2.25. Each of these figures can be read as a single chart that looks at the number of homes sold, broken into type, size, and year built. Dots in the bottom left represent sales of smaller, older homes, while dots in the upper right represent sales of larger, newer homes. Each figure also has subcharts that demonstrate demand for each type by comparing the sales price and days on market of condo, single-family, and townhome sales of similar size and age.

In the city of Dallas, most condos sold were built between the 1960s and 2000. There are fewer condos than single family homes sold built after 2001, and those that are sold tend to be more expensive, but also take longer to sell. While the higher prices might indicate greater demand, the greater days on market might indicate that condos remain a niche market in Dallas. Smaller,

more recently built condos tended to sell as quickly or more quickly than their single family counterparts, but were also far more expensive. It is worth exploring whether there would be demand for affordable new condos. Small condos built between 1961 and 2000 are sold at volumes resembling single family homes from the same era and also fare better than single family home from the same era in terms of number of days on market. While they remain more expensive, they are decent indicators that condos are not inherently unpalatable to Dallas homebuyers. Condos present an opportunity for Dallas to further differentiate itself from its neighbors. While few condos exist in Denton and Collin county, those that are sold tend to be more expensive and take longer than single family homes. In Tarrant County there are also few condos in general, and while, like elsewhere, new condos are more expensive and take longer to sell, unlike Dallas, older condos don't hold value as well as single family homes and also take longer to sell. In short, Dallas has a more viable condo market than other parts of North Texas, but new condos are relatively unproven.

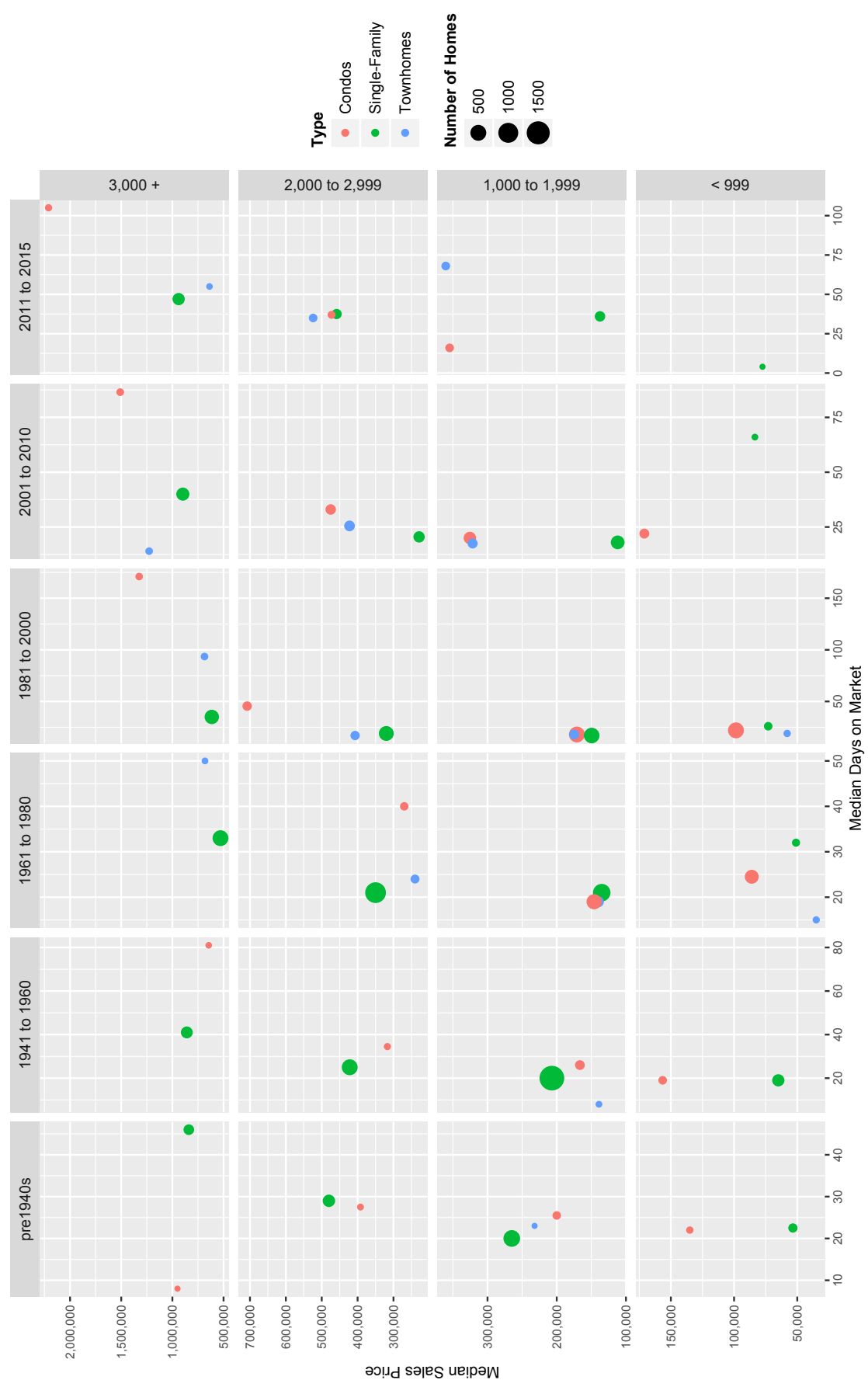
Across North Texas there are significantly fewer townhomes sold than single family homes. Like condos, there are fewer sales of recently built townhomes than single family homes in the city of Dallas, and those sold tend to be more expensive. For the most part, however, Dallas townhomes built in the last fifteen years, particularly larger ones, are not listed for as long as condos. In Collin County, townhomes built in the last fifteen years, while somewhat in short supply, sold for around the same price or more than single family homes of similar size while still selling quite quickly. In Tarrant County, such townhomes were also more valuable than single family homes, but tended to take longer to sell.

Older townhomes are also sold quickly in Dallas, but are often less valuable than either single family homes or condos. Older, larger townhomes are more expensive and take longer to sell than single family homes of similar size and era. There are an almost negligible number of older townhome sales in Denton and Collin counties, where older townhomes are either not valued highly, take a very long time to sell, or both. In Tarrant County there are somewhat more older townhome sales, and although they seem to be listed for longer, they aren't valued as low as in the northern counties. In short, there seems to be an unmet demand among North Texans for new townhomes, even in the suburban counties. Like condos, townhomes products ought to be encouraged by cities to build more affordability into areas with high demand because of the density at which they can be developed. This requires at least an entitlement solution- ensuring proper zoning where townhome demand could be reasonably expected and affordability is needed. Because townhome supply is so small throughout North Texas, Dallas may stand to gain new middle income residents by taking a lead within the region in developing this product.

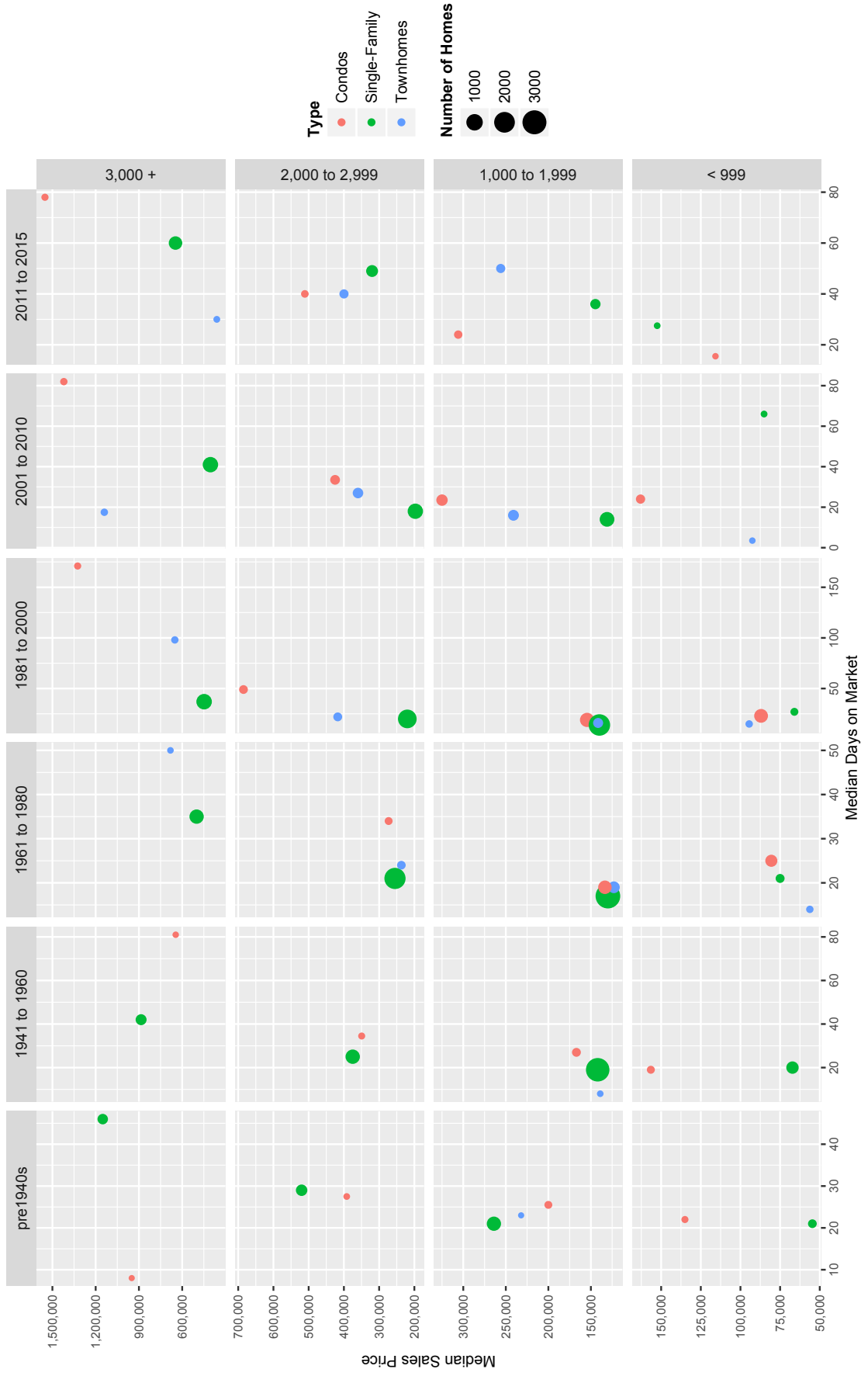
Other trends in demand are evident when looking at single-family home sales by size and age. In the city of Dallas, pre-1960 homes between one and three thousand square feet sell more quickly, at greater volume, and for higher prices than their newer counterparts. Among single-family homes smaller than 1,000 square feet, newer tends to be more valuable, but the volume of sales at this size is quite low. Among single-family homes larger than 3,000 square feet, homes built before 1960 or after 2001 fare comparably, and are more valuable than those built in the intervening years. The median values for these larger homes, however, are all above \$500,000 and unaffordable for low to middle income buyers. This indicates that, within Dallas, there is a demand for older homes and neighborhoods. The city ought to venture to invest in these areas of older homes, market these neighborhoods to middle income buyers, and imitate their particular charms.

Collin and Denton counties have virtually no homes built before 1960, making it difficult to compare markets by age. Median sales price does not vary much by decade built with the exception of homes larger than 3,000 square feet built after 2010 in Denton, which are considerably more valuable than older, large homes.

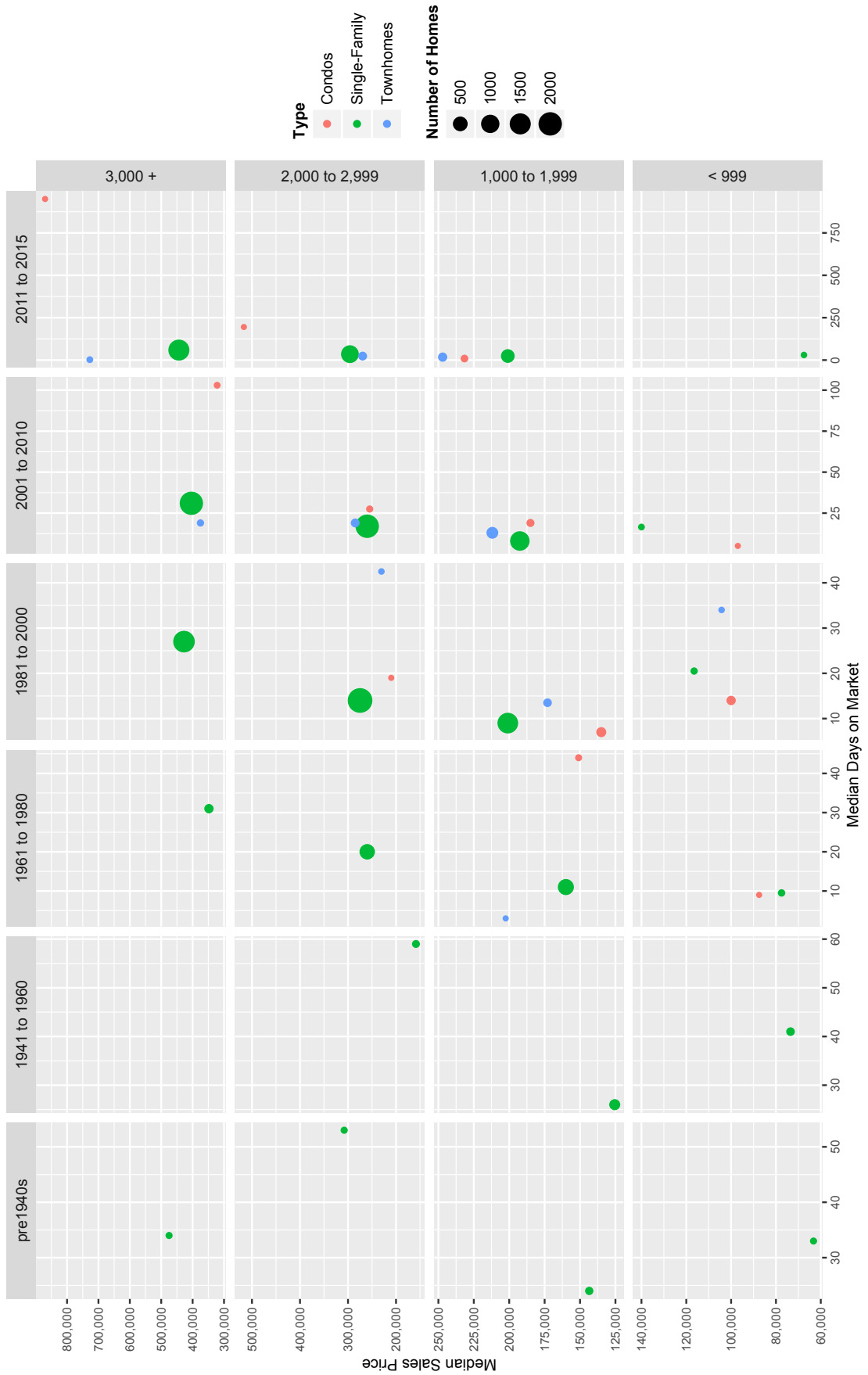
Homes Sold in 2015: By Age, Size, and Type. Dallas
NTREIS



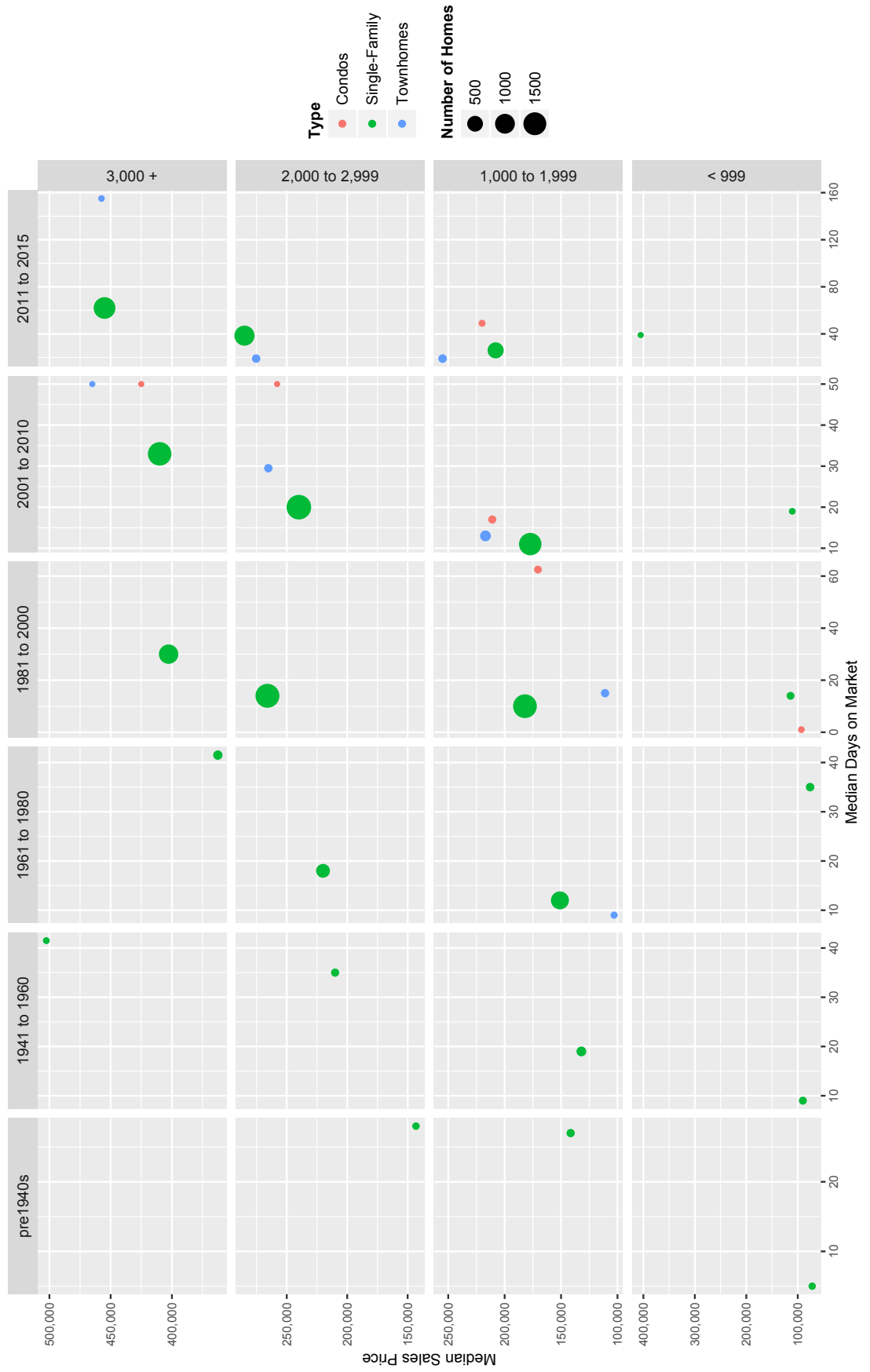
Homes Sold in 2015: By Age, Size, and Type. Dallas County
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Homes Sold in 2015: By Age, Size, and Type. Collin County
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Homes Sold in 2015: By Age, Size, and Type. Denton County
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Homes Sold in 2015: By Age, Size, and Type. Tarrant County

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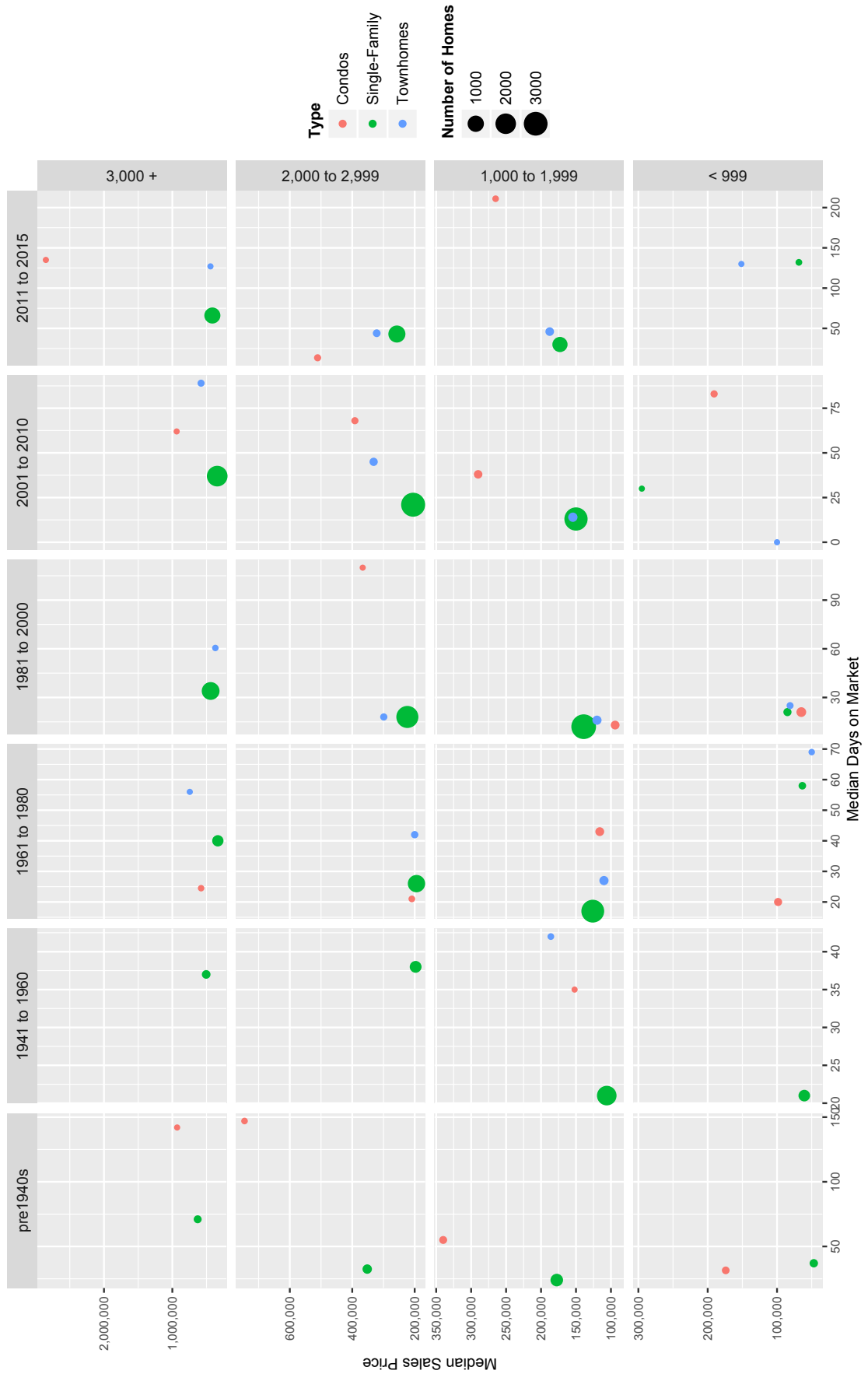
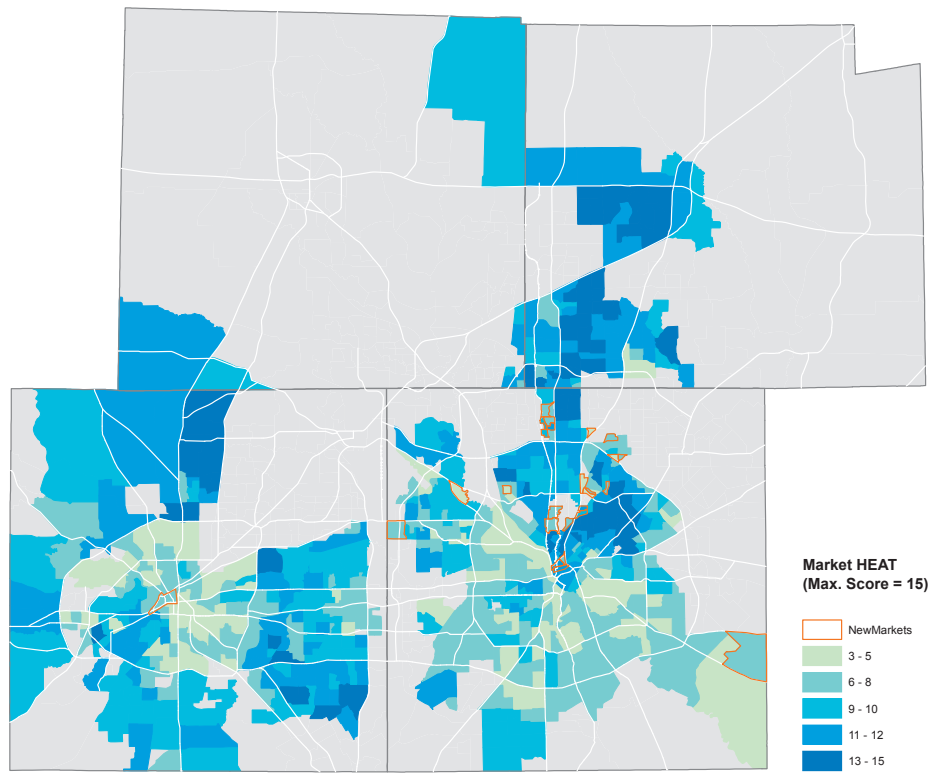


Figure 2.26: Market Heat, 2015

NTRIS



Market Heat Index

Dallas has increasingly focused its attention on developing strong neighborhoods, and market success is a valuable measure of neighborhood strength. The Market Heat Index in this report combines two separate scores.

The Heat Score aggregates all 2015 home sales in a census tract, assigns each tract a score of 1 to 5 for its performance on three metrics: median days on market, volume of sales, and median sales price, then sums the three scores. The Trend Score aggregates all 2010 home sales in a census tract, then assigns each tract a score of 1 to 5 for the change in each of those three metrics relative to the region as a whole between 2010 and 2015, then sums the three scores. The Combined Score is arrived at by adding the Heat Score and Trend Score.

Eight cities across four counties were analyzed according to the Market Heat Index, Arlington, Dallas, Desoto, Fort Worth, Irving, McKinney, Plano and Prosper.

According to the Heat Score, in 2015, the hottest markets were in East and Far North Dallas, throughout Plano and McKinney, in far north Fort Worth and in south Arlington. The weakest markets were spread throughout Southern Dallas and east and north Fort Worth. [Figure 2.26]

The Trend Scores paint a somewhat different picture. [Figure 2.27] The strongest upward trends were in McKinney but there was also strong improvements in East Dallas south of Lakewood and towards downtown. There was also strong growth in areas of Oak Cliff, South Dallas, Far East Dallas, and Northwest Dallas. The

Figure 2.27: Market Heat, Trend, 2010-2015

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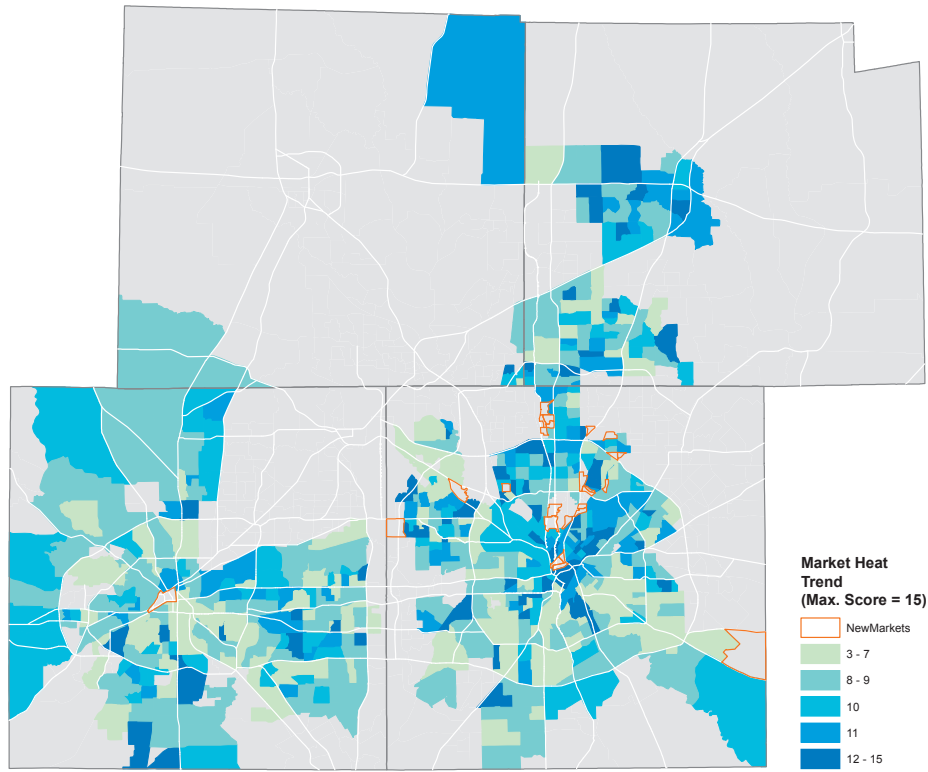
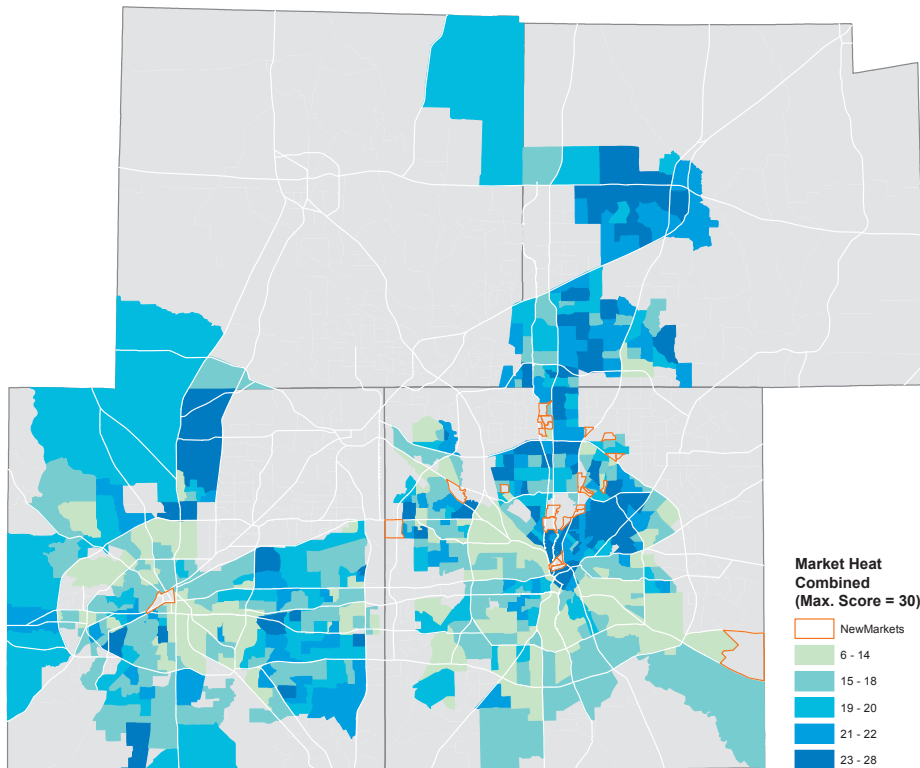


Figure 2.28: Market Heat, Combined

NTREIS



upward trends were not nearly as concentrated as the hottest markets from Figure 2.26 and could be used to identify the best beachheads for revitalization, along with areas where possible existing affordable and middle income residents may benefit from displacement protection. The map of Combined Scores more closely resembles the Heat Score than the Trend Score, suggesting that many areas that have the hottest markets in 2015 experienced positive trends but were also stronger to begin with, and less affordable. [Figure 2.28]

It is important to note that a number of census tracts, outlined in orange on the maps, had no sold homes in one of the eight cities analyzed in 2010 and were therefore ineligible for inclusion in the trend or comparison analyses. Some of the markets, however, scored quite highly in 2015, in particular the most urban areas of Dallas, such as the Central Business District.

3. BARRIERS TO HOMEOWNERSHIP

This section focuses on two main types of barriers to increasing homeownership: barriers for Dallas, and barriers for homebuyers. Dallas does not lack a supply of affordably priced homes for ownership; it does, however, lack demand for its existing affordable product. Areas that are priced affordably have no market. This section will begin to examine neighborhood qualities that may impact affordable markets. Next, this report will look at homebuyers themselves through the lens of their mortgage applications to understand the distribution of credit relating to race, sex, income, and geography.

Barriers for Dallas

The previous section used a custom market health index to map the geography of hot, cold, and improving neighborhood-level housing markets. These cold markets are barriers that hinder the city's ability to accomplish its housing and neighborhood goals. Characteristics of both hot and cold markets, indicate correlations between neighborhood condition and market activity. For instance, segregation appears to impact housing markets in the city. Four out of the five Dallas census tracts that score among the hottest markets are more than 84% white; all five are 2% black or less [Figure 3.4]. Of the remaining eight hottest neighborhood markets, all in Plano or McKinney, only one has a higher percentage of white residents than North Texas overall. The coldest neighborhood housing markets, particularly those in Dallas, have a significantly smaller percentage of white residents than North Texas as a whole.

The coldest housing markets also correlate with high rates of poverty, low median incomes, low rates of college educated residents, and poorly performing schools. The notable exception in the city of Dallas is, in fact, the highest scoring census tracts which includes portions of the Vickery Place and Lower Greenville West neighborhoods.

Dallas's housing stock also tends to be older, smaller, more vacant, and in poorer condition than neighboring cities. These conditions unmistakably correlate with segregation, low market activity and valuation, and challenging credit access. In most tracts in Dallas's urban core, outside of the Central Business District, Uptown, and Oak Lawn, at least one in twelve homes is rated as in 'Poor', 'Very Poor', or 'Unsound' condition [Figure 3.5]. In many of these tracts it is as high as one in four. There has been some new construction in these neighborhoods accomplished by non-profit community development corporations, but there is comparably less renovation and addition permitting activity in pre-war neighborhoods in South Dallas or in Oak Cliff east of I-35 than in similarly aged areas of East Dallas and North Oak Cliff. These differences in improvements to old housing stock correlate to owner-occupancy [see Figure 2.20].

Compounding the problems of older, poorly conditioned housing stock is vacancy- both vacant land and abandoned homes. In many census tracts comprising West Dallas, East Oak Cliff, and South Dallas/Fair Park, at least 10 percent, and up to as much as 60 percent, of the residential lots have no structures [Figure 3.7a]. It is undoubtedly true that it is difficult to have a vibrant neighborhood housing market in a neighborhood with few habitable homes, or homes at all. These same neighborhoods have home vacancy or abandonment rates, as determined by the USPS, ranging from 7 to 40 percent [3.7a].

Barriers for Homebuyers

While Dallas has many barriers to creating active residential housing markets in neighborhoods across the city, there are also significant barriers for individual homebuyers already interested in Dallas. In some cases, homebuyers are unable to qualify for mortgages based on credit or employment history, among other reasons, but there are also troubling inequities in access to credit by income, race, and geography.

Low-income individuals are also less likely to apply for home loans in North Texas [Figure 3.1]. This difference is greater in suburban counties such as Denton and Collin County when compared to Dallas and Tarrant counties. In Dallas, there are nearly four times the number of mortgage applicants making greater than 150% AMI than making less than 50% AMI. In Collin County mortgage applicants are nearly thirty times more likely to be higher income than low income.

Additionally, the gap between high income and low income mortgage applicants is growing [Figure 3.2]. Since 2011 the percentage of low-income applicants in the Dallas applicant pool has

dropped 4%. In Collin County it has more or less halved, from around 4% to below 2%. Some of this dropoff may be attributed to stricter lending restrictions or less favorable interest rates, but much of it is also likely due to steeply rising home prices.

This low rate of participation in homebuying among lower income North Texans is exacerbated by the increased difficulty for mortgage applicants of low income to actually obtain a loan after applying [Figure 3.3]. In Collin County low income applicants are more than three times as likely to have their mortgage application denied as applicants making more than 150% AMI. In Dallas the difference is closer to 2:1. This difference may help explain why low income homebuyers are more likely to seek a home in Dallas than the rest of the region, and consequently, why Dallas has such a higher proportion of low-income residents. The rate of denials has risen over the past few years across North Texas for the most part for both low and moderate income mortgage applicants, probably for the same reasons cited above.

The distribution of credit by income and geography is problematic for low-income mortgage applicants and low-income neighborhoods alike. In Dallas County, there is little interest in homeownership in poor neighborhoods. Mortgage applications in neighborhoods where the average income is below 50% AMI make up only about 5% of all applications, and those who do apply for credit in such neighborhoods have a greater chance of being denied. [Figure 3.8] This trend holds up across nearly all incomes- even wealthier people are more likely to be denied credit in poor neighborhoods than in other neighborhoods. Interestingly, although mortgage applicants making below 80% AMI are more likely to be denied credit in wealthier

Figure 3.4: Hottest and Coldest Markets with Characteristics, 2015
 ACS, 5-YR ESTIMATES, 2014; CHILDREN AT RISK, 2014

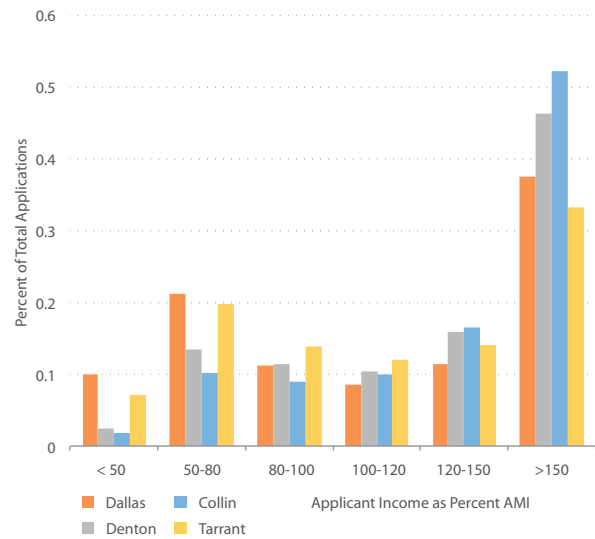
TRACT ID	CITY	CODE	SCORE	MEDIAN HOUSEHOLD INCOME	POVERTY RATE	OWNER OCCUPANCY	COLLEGE EDUCATED	PERCENT WHITE	PERCENT BLACK	PERCENT HISPANIC	ELEMENTARY SCHOOL	SCHOOL RANK
48113001002	Dallas	T1	28	\$66,200	9.0%	44.9%	51%	54%	1%	41%	JOHN F KENNEDY LC / ROBERT E LEE	F / B-
48085031662	Plano	T2	27	\$122,122	2.8%	89.4%	70%	41%	9%	5%	WYATT	A+
48085030527	McKinney	T3	27	\$96,191	3.0%	88.7%	48%	67%	11%	16%	GLEN OAKS	A-
48085030516	McKinney	T4	27	\$84,796	17.5%	78.9%	40%	54%	9%	24%	JESSE MCGOWEN	A
48085031631	Plano	T5	26	\$68,828	13.8%	45.9%	43%	54%	20%	10%	HEDGCOXE	A+
48085031709	Dallas / Plano	T6	26	\$74,357	13.2%	43.2%	58%	59%	9%	12%	ROSE HAGGAR	A
48113007812	Dallas	T7	26	\$142,045	0.6%	99.6%	79%	88%	2%	5%	MERRIMAN PARK / MOSS HAVEN	A+ / A+
48113001102	Dallas	T8	26	\$91,629	0.0%	57.9%	77%	88%	1%	9%	LEE	B-
48113009402	Dallas	T9	26	\$103,387	4.3%	82.6%	65%	84%	0%	15%	WALNUT HILL EL	A
48085031312	Plano	T10	26	\$121,477	1.8%	98.2%	57%	68%	7%	10%	DOOLEY EL / HICKORY EL	B+
48113000300	Dallas	T11	26	\$85,614	8.3%	48.7%	66%	86%	1%	11%	ROBERT E LEE / STONEWALL JACKSON	B- / A+
48085030525	McKinney	T12	26	\$122,895	2.4%	81.3%	65%	80%	8%	8%	EDDINS / BENNETT	A+ / A
48085030523	McKinney*	T13	26	\$103,799	8.9%	76.8%	47%	63%	7%	15%	ASHLEY	A+
48113014103	Irving	B1	8	\$31,602	24.0%	2.1%	16%	16%	35%	40%	JACKIE MAE TOWNSELL	B-
48113006001	Dallas	B2	8	\$28,045	40.4%	47.8%	5%	1%	17%	81%	BARBARA JORDAN	F
48439110500	Fort Worth	B3	7	\$39,610	16.5%	20.8%	10%	41%	2%	52%	CASTLEBERRY	B+
48113010904	Dallas	B4	7	\$27,308	36.1%	1.8%	9%	2%	78%	18%	MARIA MORENO / RONALD E MCNAIR / AW BROWN LA	F / F / C
48113010602	Dallas	B5	7	\$26,798	37.0%	55.2%	1%	17%	10%	66%	GABE P ALLEN	D-
48439123500	Fort Worth	B6	8	\$20,515	53.7%	29.1%	6%	3%	48%	47%	CARROLL PEAK	C
48113006401	Dallas	B7	6	\$42,344	11.6%	82.6%	7%	7%	1%	91%	LEILA P COWART	D
48439106102	Fort Worth	B8	6	\$20,753	33.0%	4.8%	4%	22%	37%	37%	W M GREEN	D
48113010500	Dallas	B9	7	\$32,284	22.3%	84.1%	4%	11%	45%	44%	ELADIO MARTINEZ / AMELIA EAR-HART	A / D-
48113014902	Irving	B10	6	\$31,316	20.4%	42.8%	13%	24%	5%	69%	BRITAIN	F
				TOP 13 Census Tracts (Average)	7%	72.0%	59%	68%	7%	14%		
				BOTTOM 11 Census Tracts (Average)	30%	33.7%	7%	14%	28%	55%		
				Dallas-Ft. Worth MSA Median	15%	60.7%	20%	69%	15%	28%		

neighborhoods, where they rarely apply, middle income homebuyers have varied success. [Figure 3.9a-e]

The story changes somewhat when it comes to race. Even today, in North Texas, African Americans and Hispanics are less likely to apply for, and less likely to obtain mortgages than whites. Among the general population of the twelve counties of North Texas, there are 3.3 white people for every black person, but more than 7 white mortgage applicants to every black mortgage applicant in 2013. [Figure 3.10] Without attempting to locate the proximate causes of this disparity, it is safe to say that it is incumbent on banks, governments, and communities alike to responsibly grow the ranks of Black and Hispanic homeowners in North Texas. Doing so would help to both generate wealth among historically marginalized groups, and achieve policy goals that correlate strongly with homeownership, such as neighborhood stability, improved educational outcomes, etc. Furthermore, it is the just, equitable thing to do.

The disparity of credit distribution among races becomes even more pronounced when we look beyond the number of applications to mortgages originated and denied by race. Using Pearson's Chi-squared test¹, we see that African Americans had 11% fewer loans than theoretically expected, and were denied 43% more frequently than expected. For Hispanics the disparity was 4% and 23% respectively [Figure 3.11]. On the other hand, whites had their loan applications originated 2% more frequently than expected, and were denied 23% less frequently than expected. Within the city of Dallas, each of these disparities was greater than for the region as a whole [Figure 3.12]. This may be due to Dallas's higher rate of poverty, greater concentration of both high-wealth and high-poverty neighborhoods, bank aversion to

Figure 3.1: Loan Applications by Income, 2014
ACS, 5-YEAR ESTIMATES



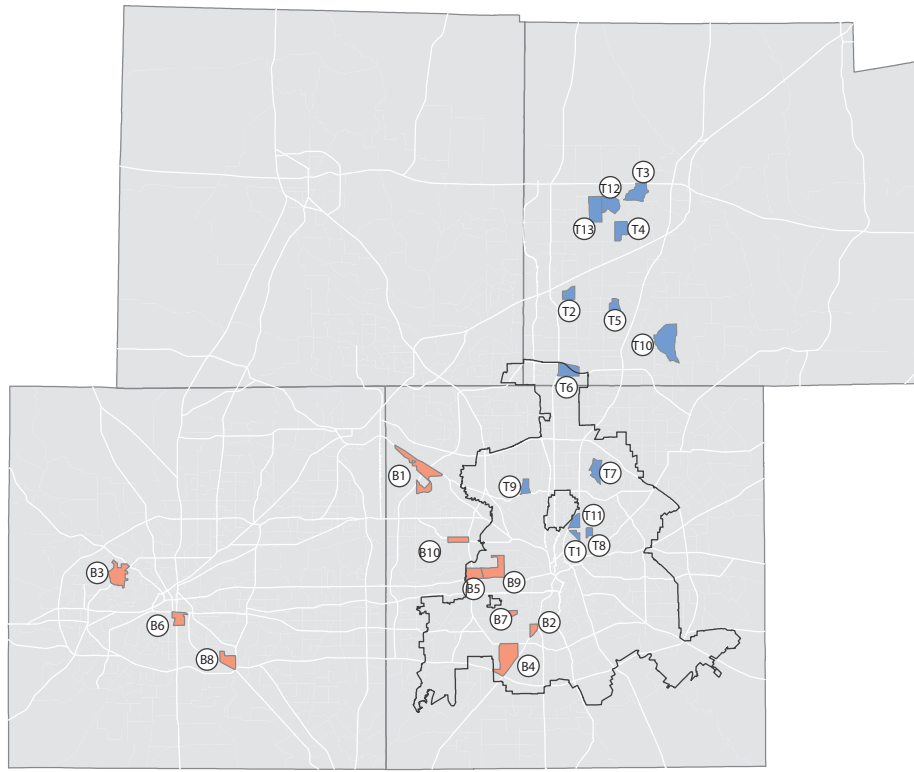
certain geographies, or a combination of the three.

Looking at reasons for denial in Dallas County from 2011 to 2014 helps paint a clearer picture of how challenges obtaining mortgages can vary by race. [Figure 3.13] There are nine possible reasons for denying a mortgage captured by the Home Mortgage Disclosure Act: 1) Debt-to-income ratio; 2) Employment history; 3) Credit history; 4) Collateral (meaning the value of the home did not justify the value of the loan); 5) Insufficient cash (downpayment, closing costs); 6) Unverifiable information 7) Credit application incomplete; 8) Mortgage insurance denied; 9) Other.

Challenges that disproportionately impact white homebuyers are issues with the value or type of collateral and incomplete credit applications. Denials attributed to collateral may indicate that a home did not appraise as high as the asking cost. This issue is frequently cited as a barrier for development of homes in low-income neighborhoods due to their depressed markets but may also appear in hotter markets where buyers are attempting to pay premiums for over-valued homes. Debt-to-income ratio as a reason for denial was lowest among whites.

Figure 3.4a: Hottest and Coldest Markets, Mapped

NTREIS



Black homebuyers were more likely to have credit history be cited as a reason for denial than applicants of any other race or ethnicity and were also denied mortgages frequently due to high debt-to-income ratios. Whether these applicants had insufficient credit history or poor credit history, targeted financial education and credit repair may help reduce the number of denials for black homebuyers.

Hispanic homebuyers are only disproportionately more likely to be denied for insufficient cash (downpayment). Denials among Hispanic homebuyers are more evenly distributed than other races and ethnicities.

Asian homebuyers have a higher percentage of denials due to employment history, unverifiable information and debt-to-income ratio, but are

least likely to be denied on the grounds of credit history. Rates of denial for debt-to-income ratio could either suggest homebuyers are seeking an unsustainably large loan, or have too many other debts, which might include car payments and credit cards.

Homebuyers of different races also tend to aspire to different neighborhoods [Figure 3.14]. For instance, across all income groups, Asians tend to buy homes in wealthier neighborhoods than other races. Blacks and Hispanics are the opposite; poor blacks and Hispanics look for homes in poorer neighborhoods than people of other races making similar incomes, and that disparity increases as income increases. Poorer whites look to buy homes in wealthier neighborhoods than the average poor homebuyer. This may be due to a number of factors. It is possible that black

Figure 3.5: Homes in Poor, Very Poor, or Unsound Condition, Dallas, 2015

DALLAS CENTRAL APPRAISAL DISTRICT

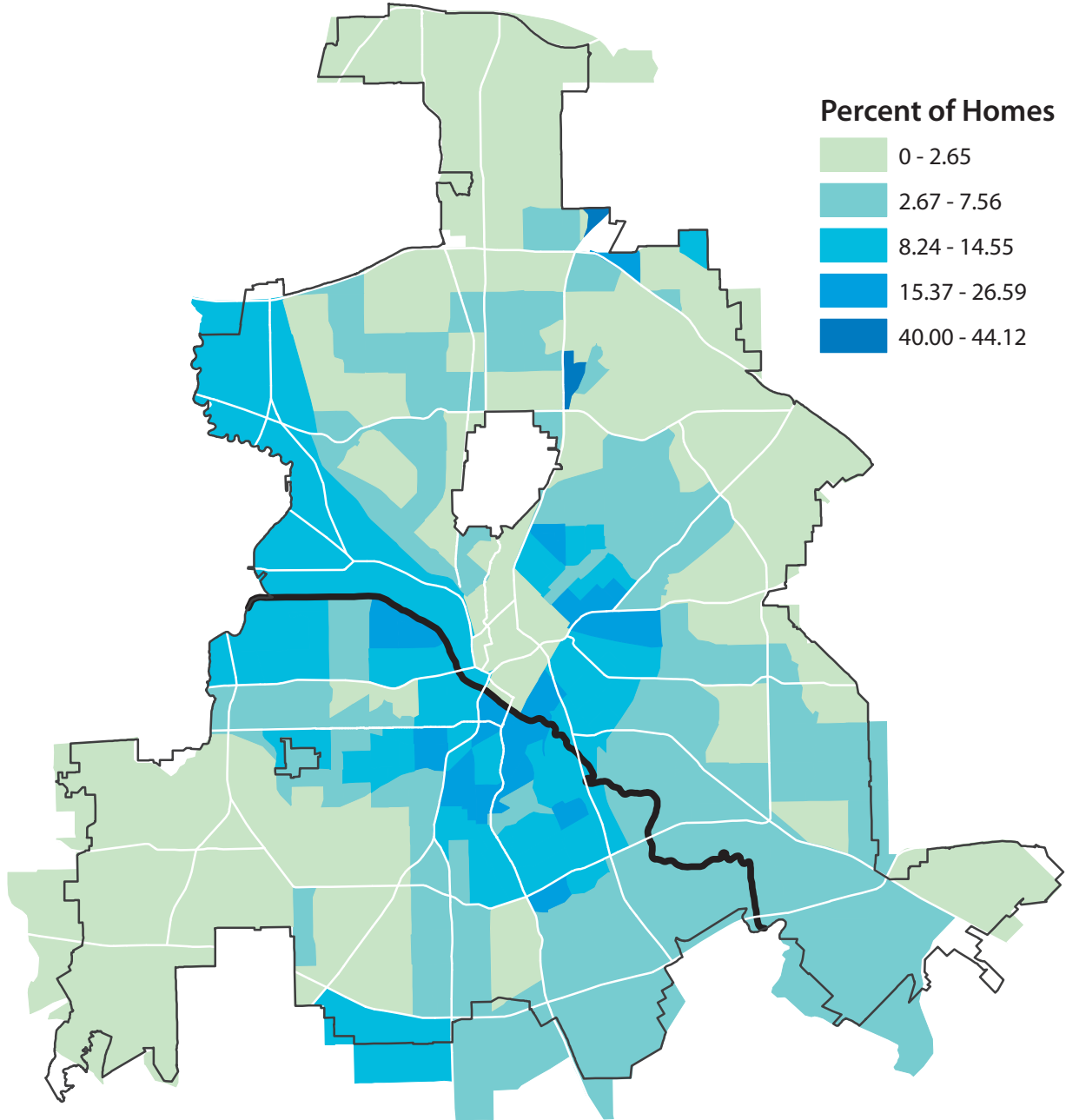


Figure 3.7a: Vacant Residential Lots, Dallas, 2015

DALLAS CENTRAL APPRAISAL DISTRICT

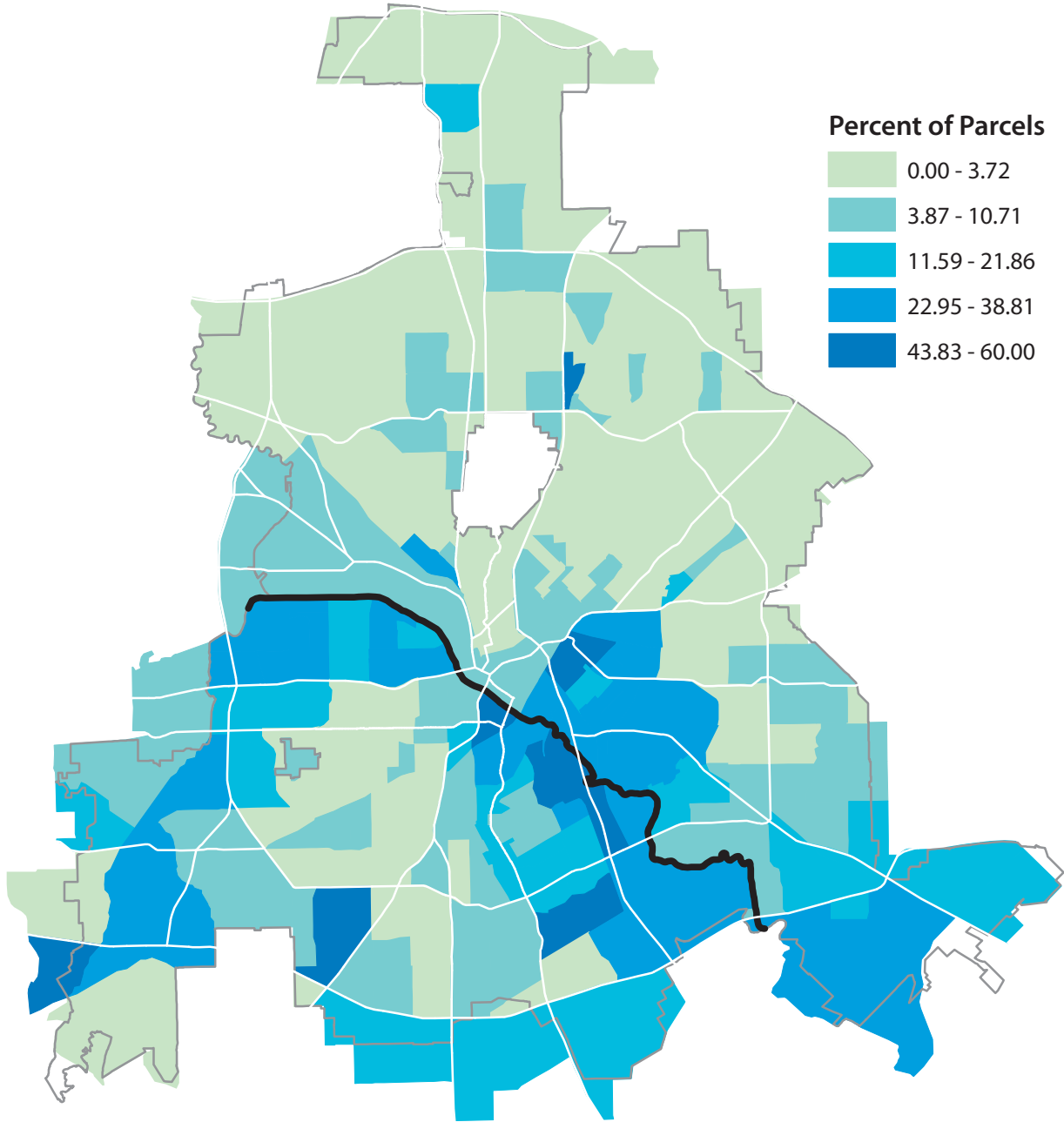


Figure 3.2: Mortgage Applicants Earning Less Than 50% Area Median Income

HOME MORTGAGE DISCLOSURE ACT, 2011-2014

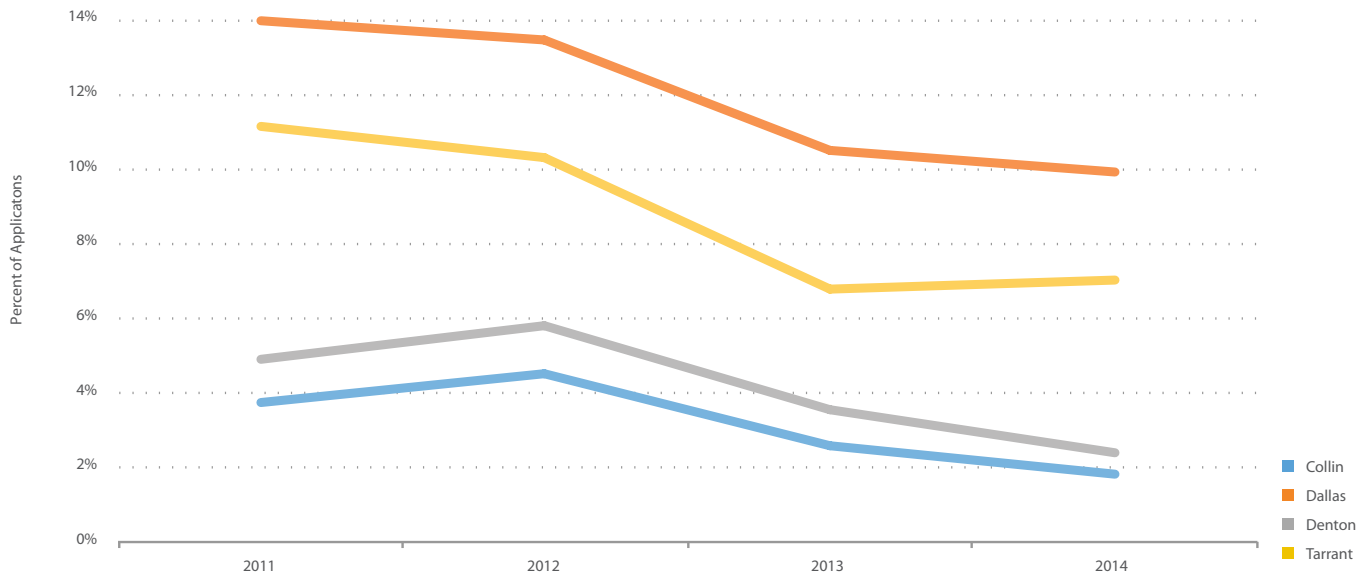


Figure 3.2a: Mortgage Applicants Earning 50-80% Area Median Income

HOME MORTGAGE DISCLOSURE ACT, 2011-2014

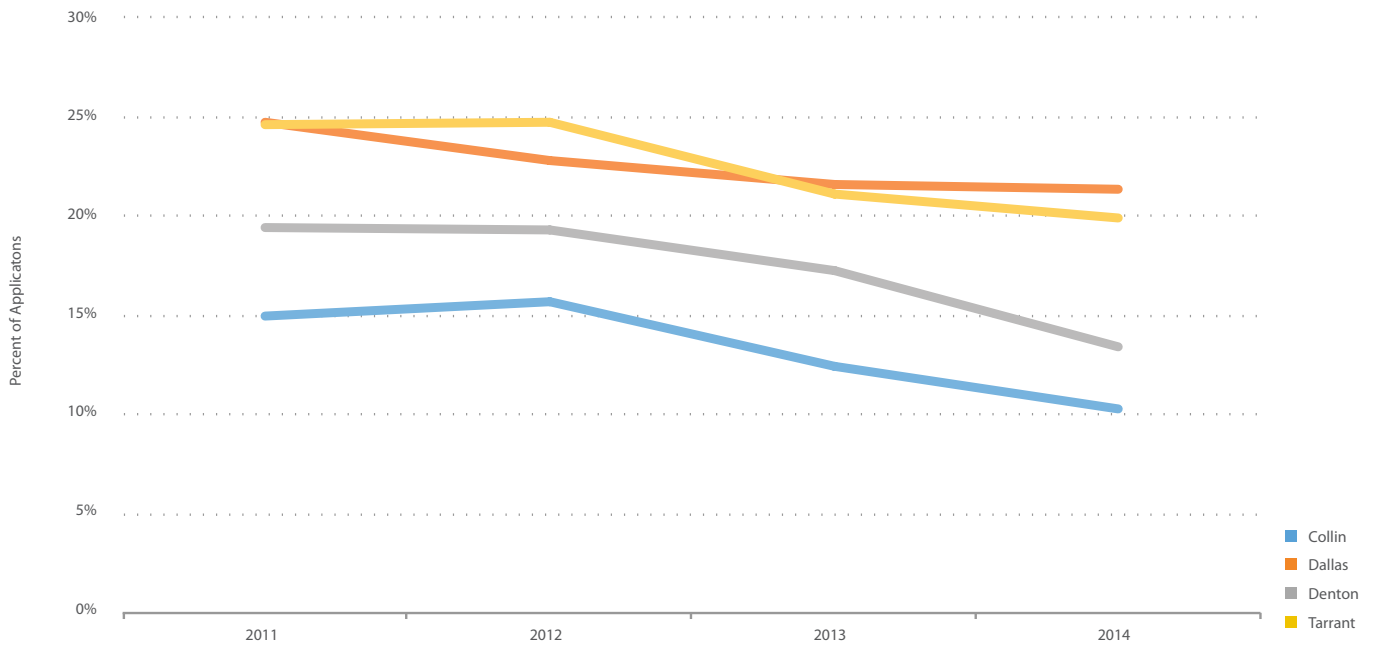


Figure 3.3: Percent of Mortgage Applicants Denied by Applicant Income, 2014

HOME MORTGAGE DISCLOSURE ACT

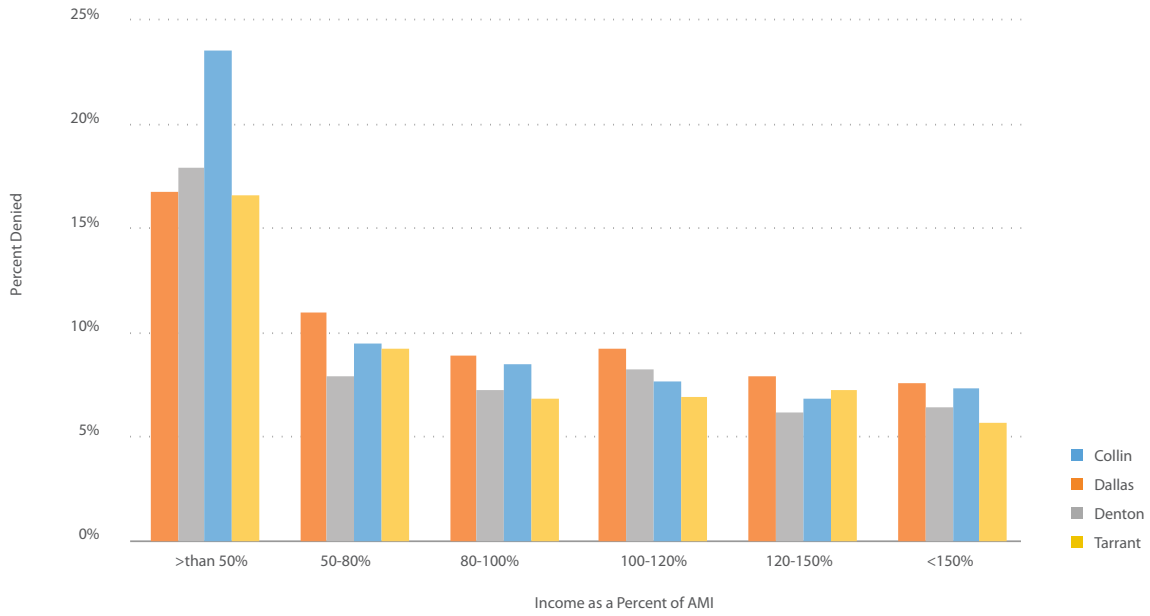


Figure 3.10: Mortgage Applications by Race, North Texas

HOME MORTGAGE DISCLOSURE ACT, 2014

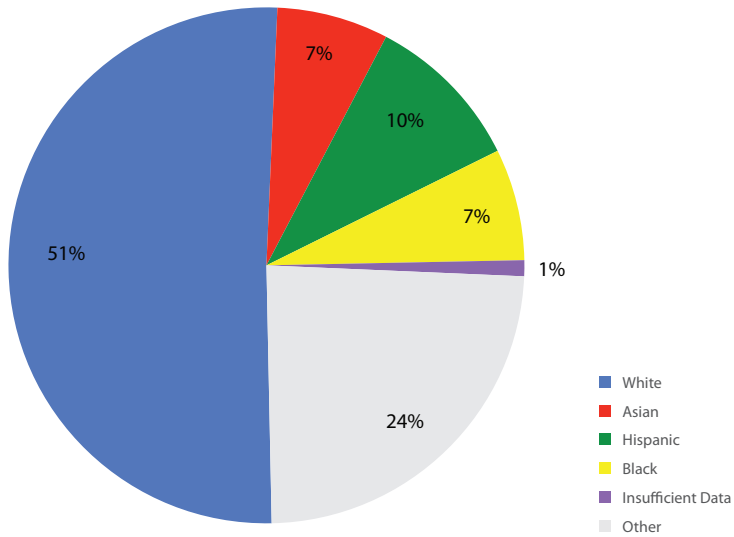


Figure 3.11: Loan Origination by Race, Observed vs. Expected, North Texas, 2014

HMDA

(Observed)	White	Black	Hispanic	Asian	Other
Denied	5199	1383	1645	1135	84
Loan originated	50994	5557	9444	7088	506
(Expected)	White	Black	Hispanic	Asian	Other
Denied	6392	789	1261	935	67
Loan originated	49801	6151	9828	7288	523
% Difference between Observed & Expected of Loan origination	-2.3	10.7	4.1	2.8	3.3

Figure 3.12: Loan Origination by Race, Observed vs. Expected, City of Dallas, 2014

HMDA

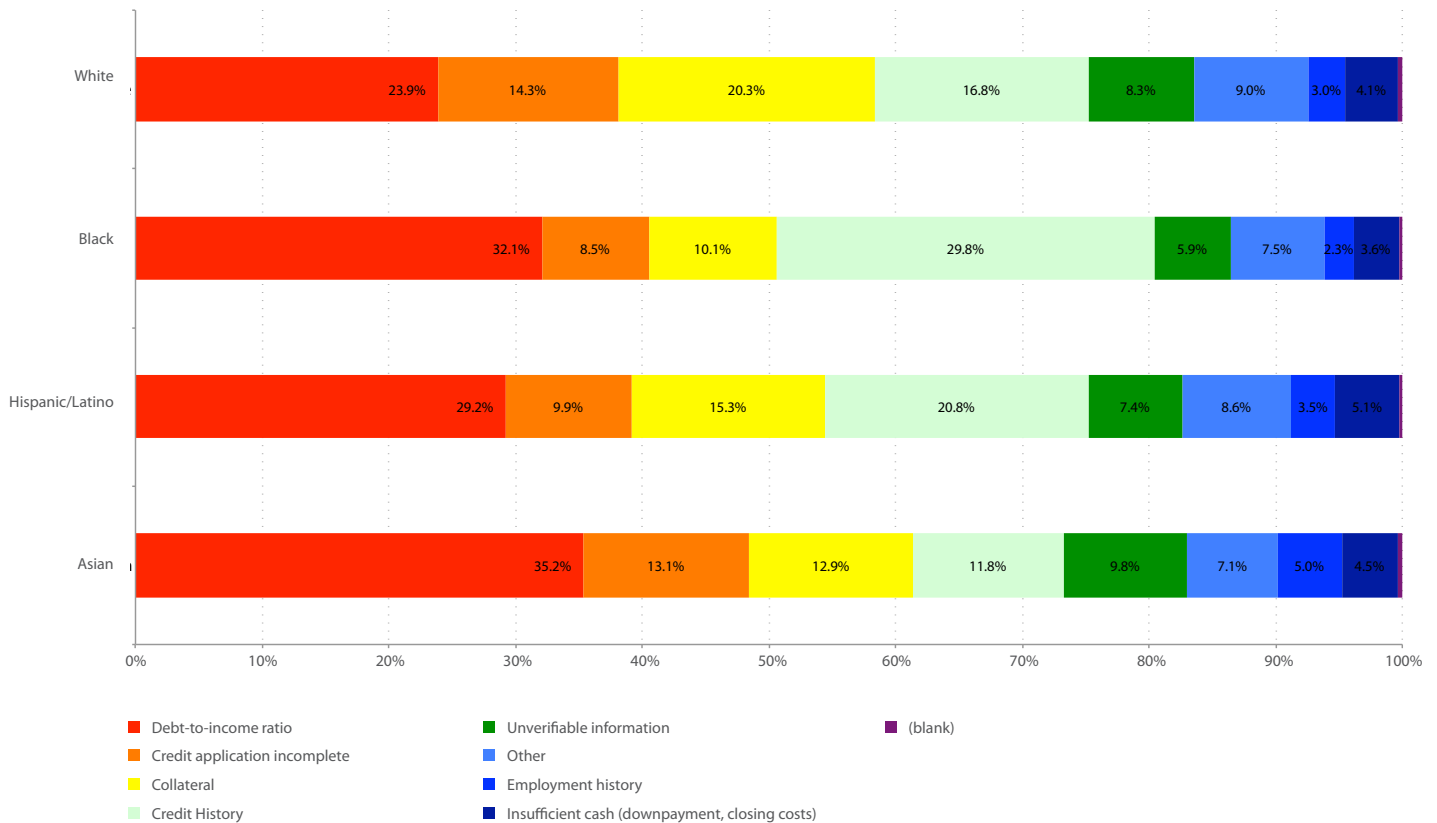
(Observed)	White	Black	Hispanic	Asian	Other
Denied	745	234	333	101	9
Loan originated	6713	722	1585	578	48
(Expected)	White	Black	Hispanic	Asian	Other
Denied	958	123	246	87	7
Loan originated	6500	833	1672	592	50
% Difference between Observed & Expected of Loan origination	-3.2	15.4	5.5	2.4	3.5

and Hispanic homebuyers tend to buy homes in neighborhoods with higher concentrations of black and Hispanic residents, which frequently also have lower incomes. Is this segregation based on preference or based on barriers to accessing higher income neighborhoods? Diverse neighborhoods, and those with higher incomes, frequently have higher qualities of life and better life outcomes for children raised in these neighborhoods. What effect on growing the black and Hispanic middle and upperclass do these segregations have? These dispositions are true across the region and are exaggerated in Dallas. [Figures 3.15]

Getting credit is not only a disproportionate challenge for black and Hispanic homebuyers, but also for neighborhoods with high percentages of black and Hispanic residents. Applications for mortgages in neighborhoods with between 80% and 100% black and Hispanic residents are 1.7 times as likely to be denied as those in neighborhoods between 0% and 20% Black and Hispanic residents [Figure 3.16]. Poorer people are more likely to be denied credit in neighborhoods with very high concentrations of black and Hispanic residents and also in neighborhoods of very low concentrations of black and Hispanic residents. [3.16a-c] Wealthier people experience

Figure 3.13: Mortgage Denials by Race, Dallas County, 2014

HMDA



this phenomenon to some extent, but more noticeably have trouble obtaining mortgages in neighborhoods of high Black and Hispanic concentrations. [3.16d-f] Poor people are also overwhelmingly more likely to apply for credit in black and Hispanic neighborhoods, whereas wealthy people are much more likely to apply for credit in white neighborhoods.

These figures suggest ongoing race and income based segregation in Dallas and North Texas, perpetuated by the distribution of credit. Poor people are encouraged to live in neighborhoods of color and people of color are encouraged to

live in poor neighborhoods- this impedes wealth-building among people of color, and stability and revitalization in poor neighborhoods. In order to grow Dallas’s homeownership base, increase its residents’ wealth, and revitalize its neighborhoods, we must strive to provide more equal access to credit and create mechanisms to encourage more inclusive neighborhoods. Our current lending practices depict an unfair playing field and unjust conditions for prospective homebuyers that are poor and/or people of color, regionally and in Dallas.

Figure 3.14: Mortgage Applications: Race, Income, and Neighborhood, Region, 2014

HMDA

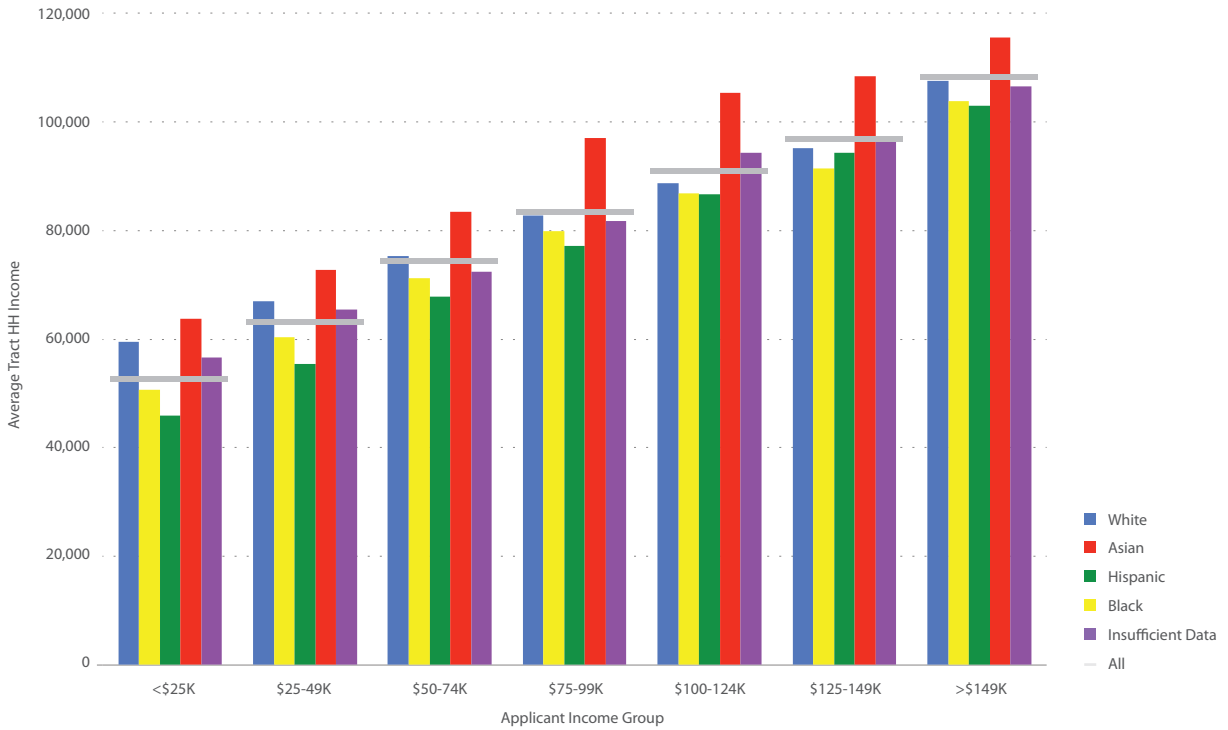


Figure 3.15: Mortgage Applications: Race, Income, and Neighborhood, Dallas County, 2014

HMDA

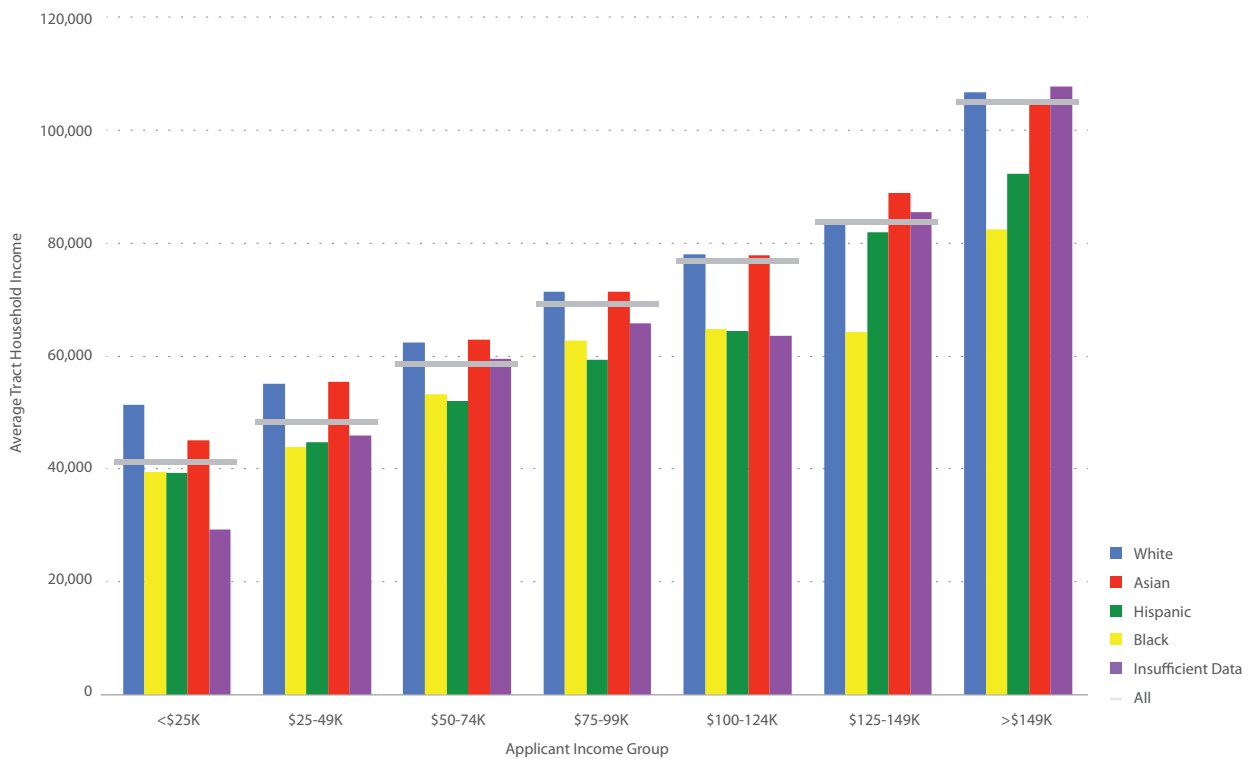
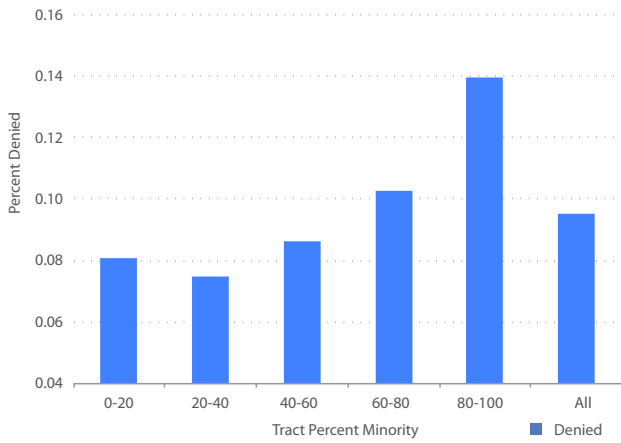


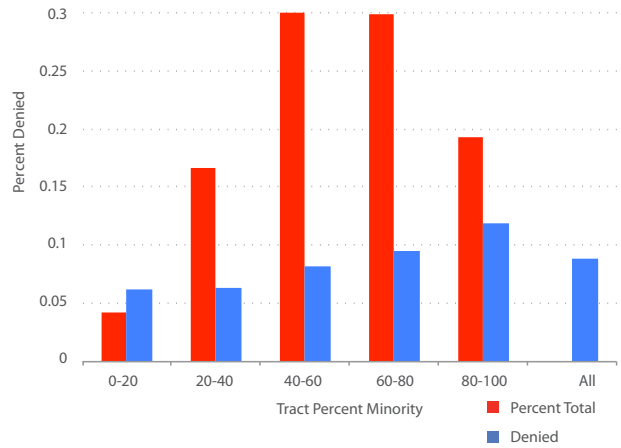
Figure 3.16: Mortgage Denials, Income, Race, and Neighborhood, Dallas County, 2014

HMDA

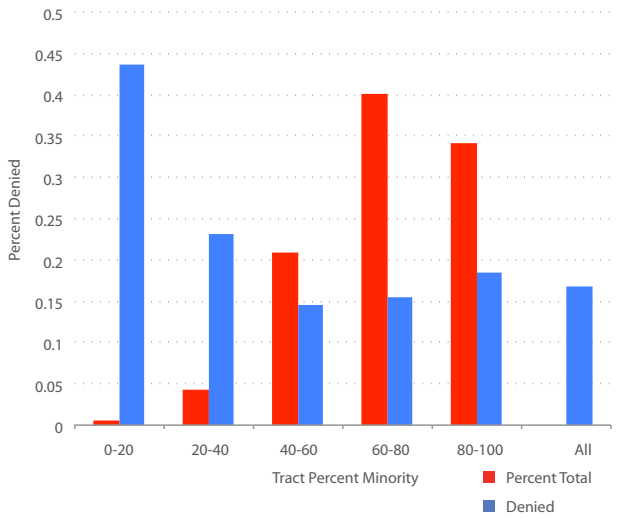
Mortgage Denials (All Incomes)



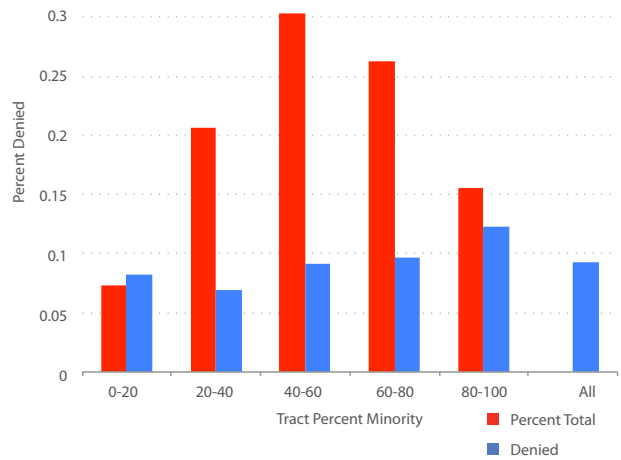
Applicants Earning 80-100% AMI



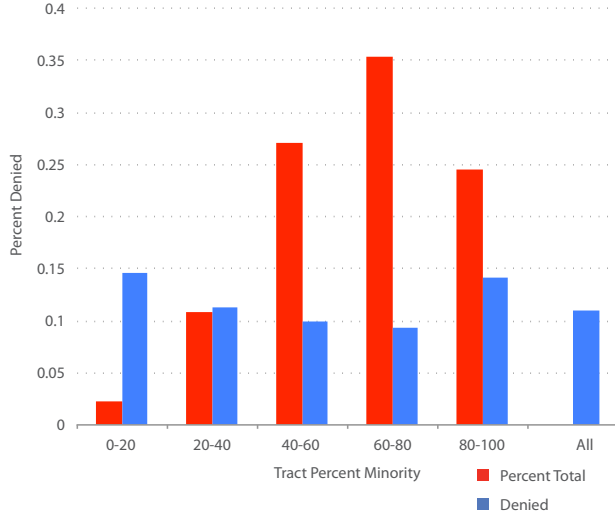
Applicants Earning Under 50% AMI



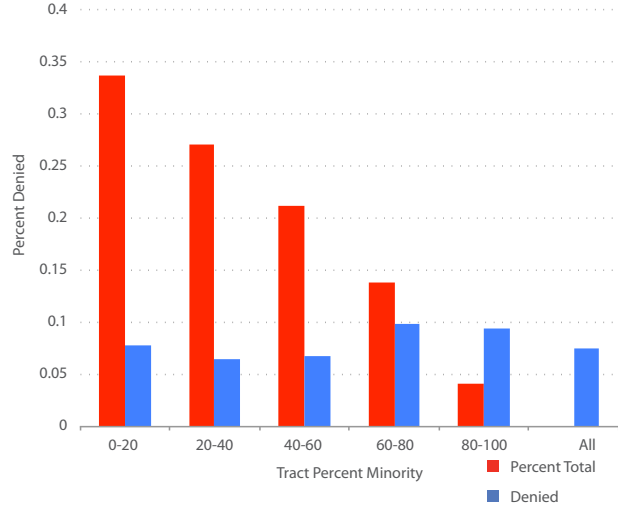
Applicants Earning 100-120% AMI



Applicants Earning 50-80% AMI



Applicants Earning 100-120% AMI



-
1. The Pearson's chi-squared test is a simple tool used to determine the independence of two categorical variables. This tool measures the variance (difference) between observed (actual) and expected (theoretical) data sets. If the difference between the data sets falls within an acceptable range, the variables are independent of one another. However, if the difference falls outside an acceptable range, we can conclude that they are dependent - one impacts the other. Using 2014 HMDA applications for all owner-occupied 1-to-4 family homes, we tested the relationship between race and loan origination/denial. The null hypothesis, for our purposes, is that race does not influence loan outcomes. After preparing the data and excluding records with missing information, we tested the relationship at the regional and city level. In both tests, the p-value fell within the significance threshold to reject the null hypothesis. This suggests that an applicant's race affects loan origination/denial. While the test reveals dependence between race and loan origination, it is incorrect to assume racial discrimination. Instead, the test warrants further exploration of race and loan origination.

4. OPPORTUNITIES & SOLUTIONS

Due to its barbell (segregated and polarized) economy, demographics, and housing market, Dallas has dual challenges: revitalize and rebuild communities of concentrated poverty, and economically and racially integrate neighborhoods of concentrated privilege. These demand a market-based solution which requires priming neighborhood markets, combating NIMBYism in areas where affordable homeownership is currently impossible, and using public policy, assets, and funding to leverage market interest for affordable opportunities. (NIMBY is an acronym that stands for Not In My Backyard, and typically refers to residents attempting to restrict or exclude certain people or uses from their neighborhood.) This also means that components of the affordable housing system must be sufficiently coordinated to convey a pipeline of buyers from counseling to closing.

According to the City of Dallas, “a primary focus of the Neighborhood Plus Plan is to link housing to crucial neighborhood-based services including education, training, health care and transportation.” While this goal should apply to all housing planning, it is critically important when considering housing affordability. In terms of more immediate solutions, the City should prioritize housing affordability in areas that are rich in these and other key neighborhood attributes. Isolating such areas of the city can be accomplished via a suitability analysis.

Areas were scored according to their proximity to good schools (scored B- or above by Children at Risk), grocery stores, affordable health clinics, bus stops, rail stations, job centers (census blocks with 1000 or more jobs), and the concentration of poverty in a given census tract. Each of these inputs was assigned a weight; for example, to prioritize areas that are near rail stations.

The suitability analysis used here assigned the highest weight to areas with low poverty, followed by rail access, then, job centers, good schools and bus access, and finally, proximity to grocery stores and affordable healthcare clinics. [Figure 4.0]

In its Neighborhood Plus plan, the City of Dallas identified some key strategies and goals to improving housing affordability and neighborhood viability, including increasing homeownership for households earning below \$50,000 per year by increasing their options through smaller single family homes, townhomes, and condominiums. It is important that the city locate sites for housing affordability in a way that encourages neighborhood integration, and connects low-income families to areas of high opportunity.

Figure 4.0

Feature	Weight
Poverty	35
Rail	25
Job Centers	10
Good Schools	10
Bus	10
Grocery Stores	5
Affordable Clinics	5

Increased homeownership choices for low-income families is a subset of a broader call for “more urban home styles.” To accomplish these goals, it was suggested that the City leverage publicly-owned land and targeted rezoning to catalyze development of new urban housing with guaranteed affordability. Currently, there are 712 vacant lots zoned for townhomes or duplexes and 8600 vacant lots zoned for single-family located in areas that score 6 or above on the suitability scale. This suggests that zoning is limiting the number and value of opportunities to improve housing options and affordability in suitable areas.

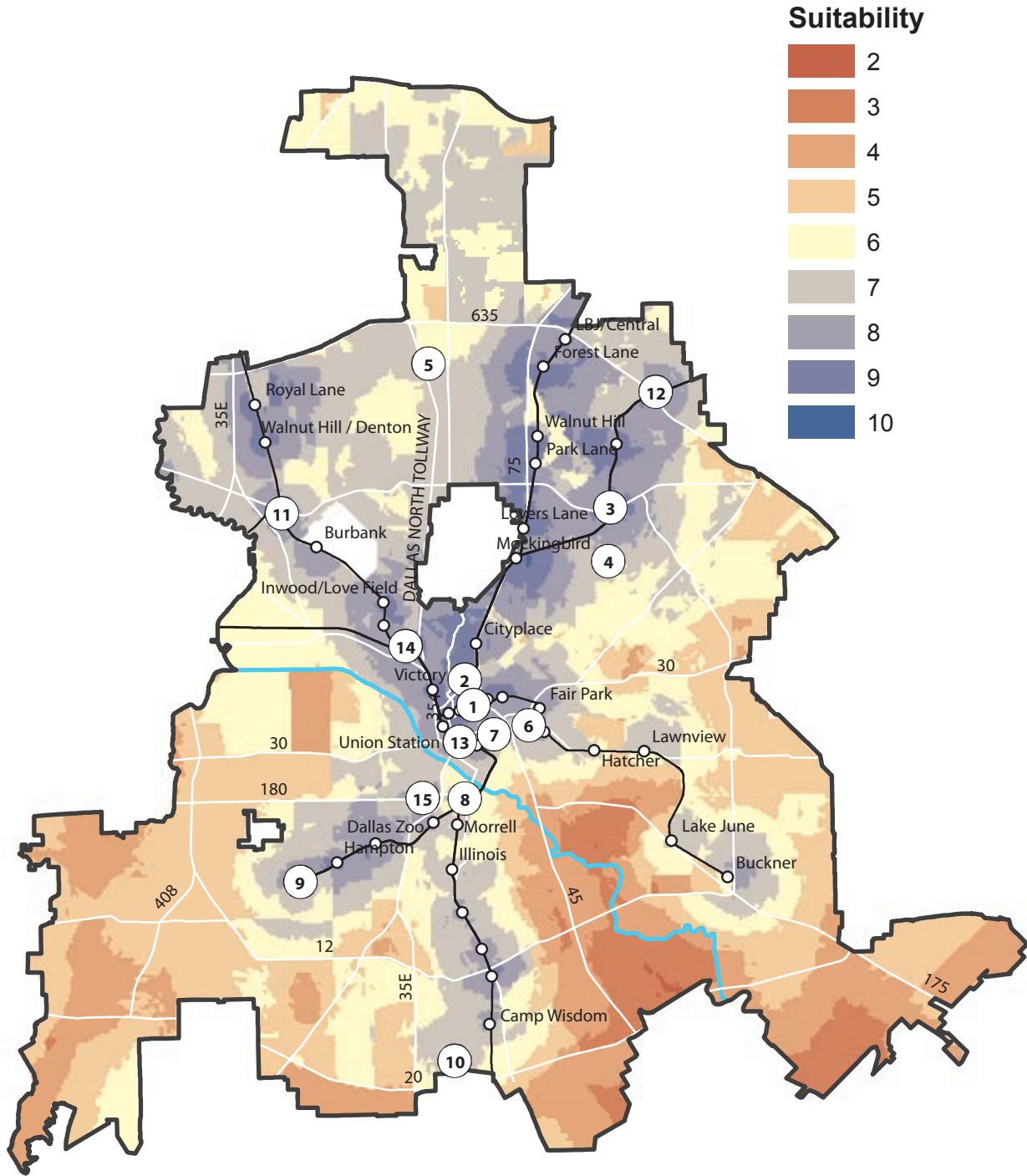
To assist the City in advancing their goals and applying the strategies proposed in Neighborhood Plus, this report has filtered these goals through the Market Heat Index and Suitability Analysis to identify well-suited and marketable sites for developments relevant to housing affordability. The array of sites thus identified provide opportunities for the City to accomplish an array of housing goals: encourage economic and racial integration; preserve affordability in gentrifying neighborhoods; prepare or prime weak markets; or plan for larger scale development.

Taken together, the Suitability Analysis and Market Heat Index provide the City with a solid base for making judgments on where to encourage housing activity through its many policy and funding tools. Key expansions or modifications to these tools were identified in Neighborhood Plus including “enabling private nonprofits to acquire bundles of lots to support community development,” and “enable greater flexibility to acquire, sell and redevelop land bank and City-owned properties.” These provisions should not be limited to non-profit organizations, and instead should focus on defining the City’s desired outcomes through its property disposition. Of the 401 properties auctioned for sale by the City, more than two-thirds were in areas that scored 6 or above on suitability, similar to the proportion (and number) of high-scoring properties in the City of Dallas Land Bank. The City must apply the same methodology of gauging local suitability and market to how it acquires, sells, or releases property. Other public agencies, particularly the Dallas Independent School District, should coordinate more closely with the City when selling surplus property to ensure that property is used strategically to achieve mutually beneficial neighborhood goals.

These approaches to housing affordability and development will better position the City to help integrate and revitalize neighborhoods, and attract homebuyers. However, making sure that these homebuyers have the tools in place to find loans, neighborhoods, and homes that they love and can invest in should not be ignored. Homebuyers, banks, and realtors may need extra support if the City hopes for them to act in concert to build stronger neighborhoods in Dallas.

Through its Navigator and Research & Analysis programs, AIM for Dallas will help provide this support by creating a comprehensive website for homebuyers interested in Dallas, helping locate the buyer in the homebuying process, connecting homebuyers to non-profit assistance, matching homebuyers with best-fit neighborhoods, and conveying research on homebuyer preferences and interests with municipal and real estate professionals to ensure that the City's neighborhood building activities reflect the interests of the people that will call Dallas home.

Figure 4.1: Housing Affordability Suitability



Suitability

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10







- | | |
|---------------------------|--------------------------|
| 1 1401 Pacific Avenue | 9 Westmoreland Station |
| 2 7 Fairmount Street | 10 UNT Dallas |
| 3 White Rock Station | 11 Bachman Station |
| 4 3700 Dalgreen Drive | 12 LBJ/Skillman Station |
| 5 5639 Forest Lane | 13 Cedars |
| 6 Jeffries/Meyers | 14 Market Center Station |
| 7 Dallas Heritage Village | 15 La Estrella Plaza |
| 8 8th & Corinth Station | |

1401 PACIFIC AVENUE



Type	Integration
Ownership	DART/City of Dallas
North/South	North
Council District	14
HUD Opportunity	Yes
Size (Acres)	2.26
Lots	2
Income Served	50-80%
Suitability	10
2015 Market	7
Market Trend	N/A
Combined	N/A

DART and the City of Dallas own two parcels at the corner of Ross Avenue and Routh Street totaling more than two acres. Being in the Central Business District the value of public assets could be used to subsidize housing affordability for low and middle income residents., whether for rental, condo, or townhome development.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

WHITE ROCK STATION



Type	Integration
Ownership	DART
North/South	North
Council District	9
HUD Opportunity	No
Size (Acres)	29.81
Lots	1
Income Served	50-80%
Suitability	8
2015 Market	11
Market Trend	8
Combined	19

White Rock Station provides an opportunity for townhome ownership development for low-to-moderate income buyers. Currently owned by DART and operated as an under-utilized parking lot, the value of the public asset could be used to subsidize affordability in the development.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

7 FAIRMOUNT STREET



Type	Integration
Ownership	City of Dallas
North/South	North
Council District	14
HUD Opportunity	Yes
Size (Acres)	0.81
Lots	1
Income Served	50-80%
Suitability	9
2015 Market	14
Market Trend	11
Combined	25

This small site on the edge of Uptown and the Dallas Arts District is an excellent opportunity for a small, medium-density development for low-to-moderate income ownership in an extremely hot and valuable market near transit and amenities.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

3700 DALGREEN DRIVE



Type	Integration
Ownership	City of Dallas
North/South	North
Council District	9
HUD Opportunity	Yes
Size (Acres)	2.43
Lots	1
Income Served	50-80%
Suitability	7
2015 Market	14
Market Trend	11
Combined	25

Located in one of the hottest homeownership markets in Dallas, this site provides a unique opportunity for the city to use valuable, vacant land to create a unique, small, ownership development near White Rock Lake in an excellent school zone.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

5639 FOREST LANE



Type	Integration
Ownership	City of Dallas
North/South	North
Council District	13
HUD Opportunity	No
Size (Acres)	3.46
Lots	1
Income Served	50-80%
Suitability	6
2015 Market	11
Market Trend	10
Combined	21

One of the few opportunities in North Dallas, this site provides excellent access to amenities for a low-to-moderate income homebuyers where the city's substantial land could act as subsidy.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

MARKET CENTER STATION



Type	Preservation
Ownership	DART
North/South	North
Council District	2
HUD Opportunity	No
Size (Acres)	2.53
Lots	1
Income Served	50-80%
Suitability	8 and 9
2015 Market	10
Market Trend	15
Combined	25

Located on an under-utilized DART-owned parking lot in a rapidly intensifying housing market that is quickly gaining rental, but not ownership opportunities, Market Center Station offers an opportunity to preserve affordability.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

LA ESTRELLA PLAZA



Type	Preservation
Ownership	DART
North/South	South
Council District	1
HUD Opportunity	No
Size (Acres)	0.9
Lots	14
Income Served	50-80%
Suitability	7 and 8
2015 Market	4
Market Trend	8
Combined	12

Located on the edge of a rapidly heating up housing market, this city-owned land is primed for townhouse development for low-to-moderate income buyers.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

JEFFRIES-MEYERS



Type	Activation
Ownership	City of Dallas/Private
North/South	South
Council District	7
HUD Opportunity	No
Size (Acres)	111.5 (29 public)
Lots	270 (28 public)
Income Served	50-120%
Suitability	7 and 8
2015 Market	6
Market Trend	11
Combined	17

One of the more substantial vacant development opportunities in the urban core, this site sits on the outskirts of the very valuable Deep Ellum market near transit and could see a variety of development types serving a mixed income clientele.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

8TH & CORINTH STATION

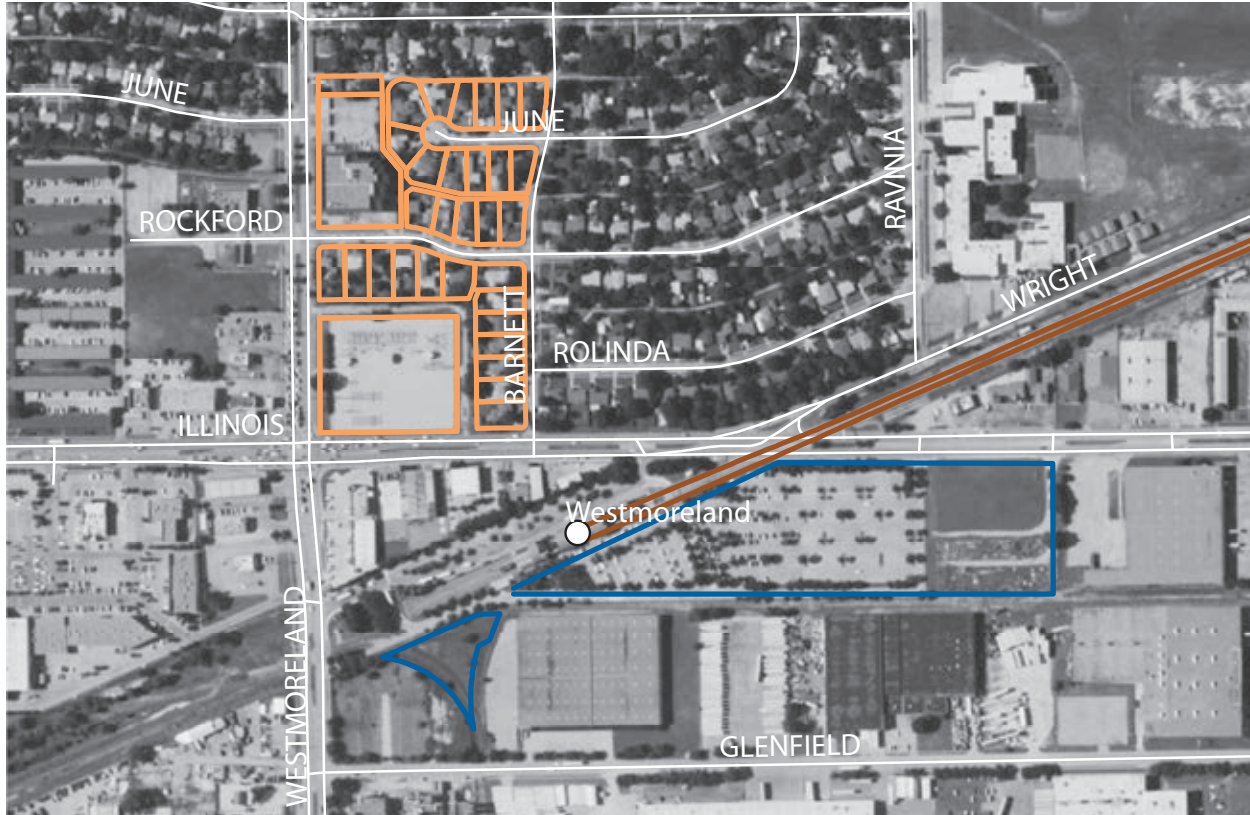


Type	Activation
Ownership	DART
North/South	South
Council District	4
HUD Opportunity	No
Size (Acres)	3.65
Lots	5
Income Served	50-120%
Suitability	7
2015 Market	3
Market Trend	7
Combined	10

Substantial DART landholdings near additional vacant land this site could use a mix of development types for mixed incomes to spur additional market rate development very near to the Central Business District.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

WESTMORELAND STATION



Type	Activation
Ownership	DART
North/South	South
Council District	3
HUD Opportunity	No
Size (Acres)	10.6
Lots	1
Income Served	50-120%
Suitability	7 and 8
2015 Market	4
Market Trend	6
Combined	10

A large DART-owned parking lot anchors a site near amenities where middle-income housing opportunities in a mixture of development types could spur market growth nearby.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

DALLAS HERITAGE VILLAGE

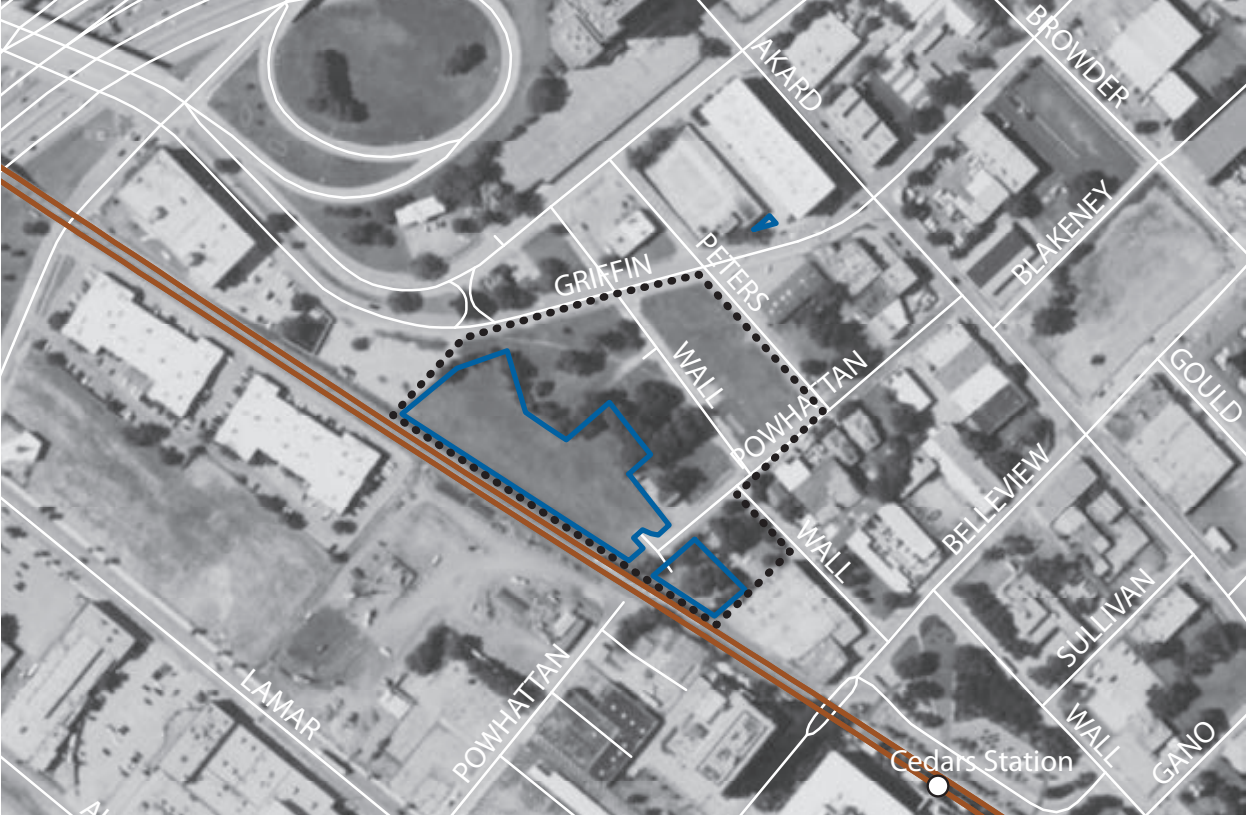


Type	Preservation
Ownership	-
North/South	South
Council District	2
HUD Opportunity	No
Size (Acres)	~5.8
Lots	~25
Income Served	50-120%
Suitability	7 and 8
2015 Market	11
Market Trend	14
Combined	25

Located in an area with intensifying development and increasing value, this site is just outside the central business district and features a handful of city-owned properties that would be ideally suited for working class homeownership.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

CEDARS

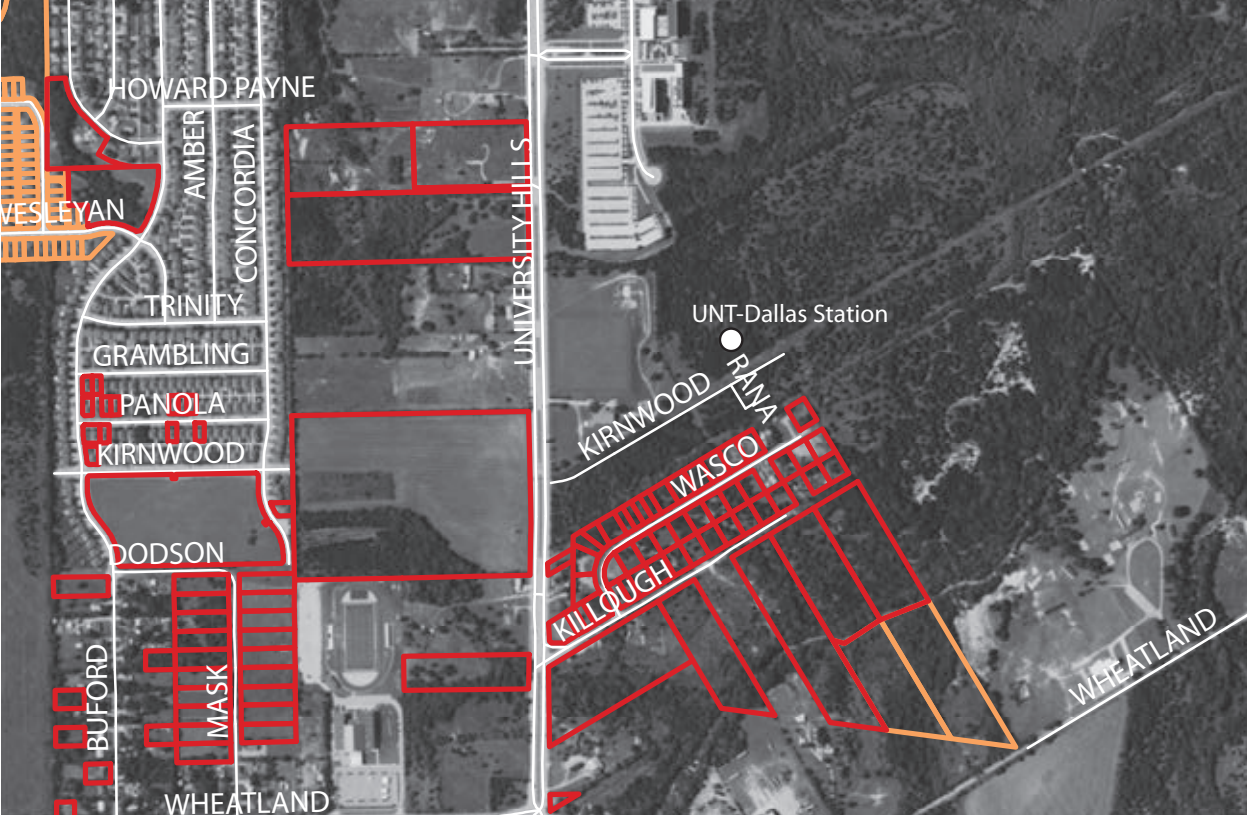


Type	Preservation
Ownership	DART/Private
North/South	South
Council District	2
HUD Opportunity	No
Size (Acres)	6.15 (3.76 public)
Lots	11 (2 public)
Income Served	All
Suitability	8
2015 Market	11
Market Trend	14
Combined	25

This site in the Cedars is anchored by two DART-owned properties totaling 3.76 acres that when considered in tandem with a handful of privately-owned properties and the TXU-owned block bounded by Peters, Powhattan, Wall, and Griffin streets become a sizable, transit-adjacent, mixed-income development opportunity in a growing neighborhood with excellent access.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

UNT DALLAS

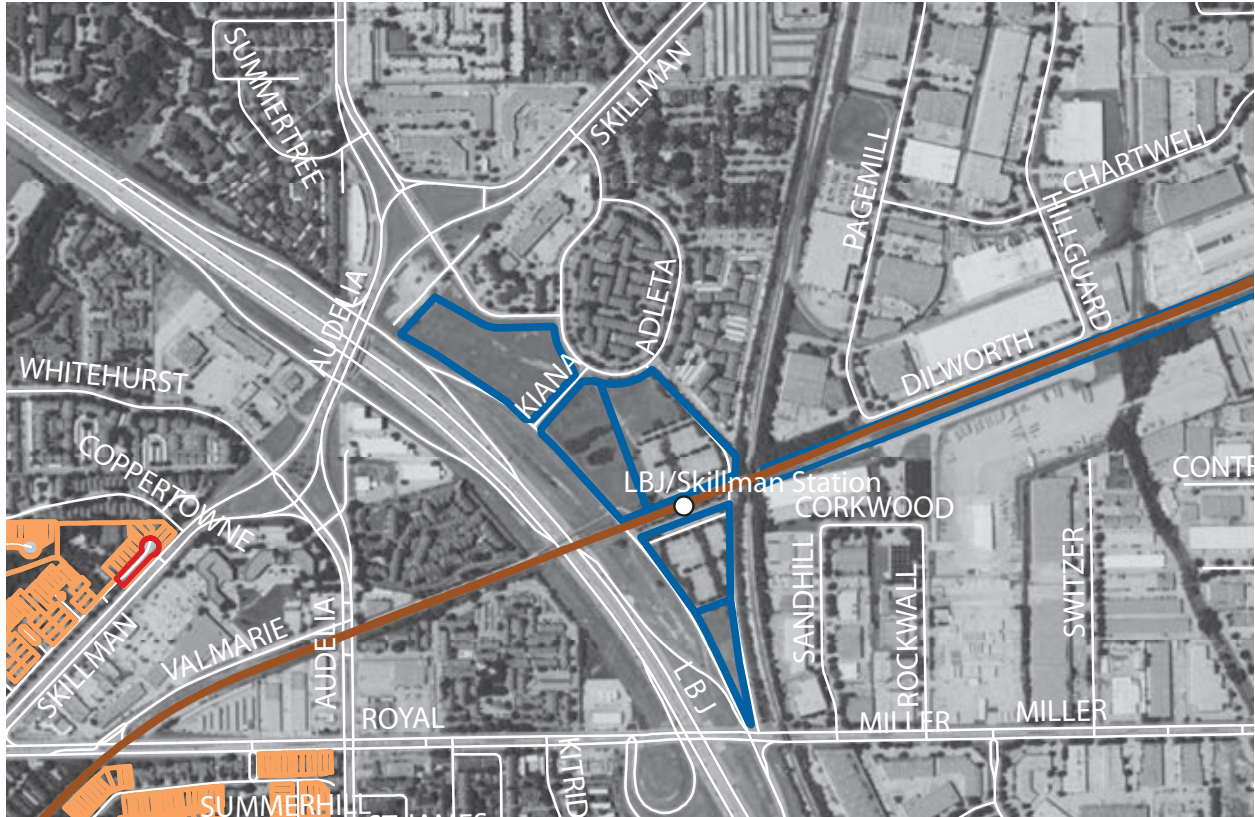


Type	Future
Ownership	Private
North/South	South
Council District	8
HUD Opportunity	No
Size (Acres)	-
Lots	-
Income Served	All
Suitability	7
2015 Market	6
Market Trend	7
Combined	13

Sites near UNT Dallas and the forthcoming DART station are largely vacant and are well suited for single-family or a mixture of development types catering to middle income homebuyers.







-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

LBJ/SKILLMAN STATION



Type	Future
Ownership	DART
North/South	North
Council District	10
HUD Opportunity	No
Size (Acres)	27.3
Lots	5
Income Served	All
Suitability	8
2015 Market	8
Market Trend	11
Combined	19

The largest DART-owned site requires thoughtful planning to encourage a mixture of development types including middle-class homeownership.

-  City Auctioned Property, 2014
-  DART Rail
-  Publicly Owned Vacant Land
-  Vacant Residential Land
-  Existing Townhome/Duplex Zoning
-  Land Bank Property

BACHMAN STATION



Type	Future
Ownership	DART
North/South	North
Council District	6
HUD Opportunity	No
Size (Acres)	7.0
Lots	2
Income Served	All
Suitability	8
2015 Market	12
Market Trend	12
Combined	20

A large DART-owned parking lot near jobs and Love Field Airport could be converted to middle-income homeownership opportunities.

- City Auctioned Property, 2014
- DART Rail
- Publicly Owned Vacant Land
- Vacant Residential Land
- Existing Townhome/Duplex Zoning
- Land Bank Property

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