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Dallas' TIF Affordable Housing

Expanded Reporting Could Help Dallas Focus Important Resource

On February 26, 2014, the Dallas City Council will be asked to review and approve the [FY 2013 annual reports](#) for each of the Tax Increment Financing (“TIF”) districts. However, these reports mostly ignore TIF spending on affordable housing, a missed opportunity for City officials to strategically focus an important housing resource. The City of Dallas is not giving itself full credit for affordable housing that has been produced with assistance from the TIF districts because most of the TIF annual reports do not clearly identify:

- the number of affordable units included in TIF-funded projects, and
- how TIF funding has helped support affordable housing both within and outside the TIF district boundaries

Each TIF produces a development plan reflecting the needs of the district. Plans may or may not include a requirement for affordable housing. Among Dallas’ TIF plans that do address affordable housing, most (12 districts) require twenty percent of the TIF-funded housing units to be affordable. Although there is some variation in the definition, “affordable” usually means that the price point is set so an occupant earning 80% or less of the area median income could afford to live in the unit. It does not mean that the unit is set aside for someone with a specified income level.

The City of Dallas is not giving itself full credit for affordable housing that has been produced with assistance from the TIF districts

Some TIF districts include a developer option to propose an alternate means of fulfilling the affordability requirement. For example, the developer of the main catalyst project in the Vickery Meadows TIF paid \$1 million in 2008 to assist with new construction of multi-family housing within the Vickery Meadow Public Improvement District, but the developer didn’t directly provide the affordable housing.

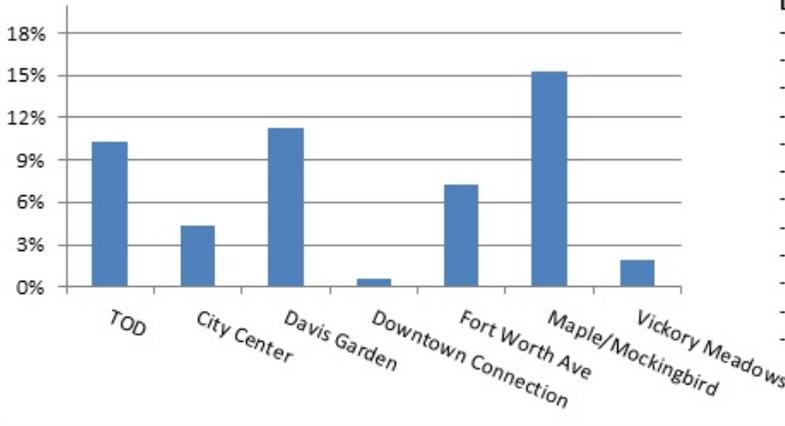
While TIF agreements often require periodic reporting on the number of affordable units in the project, affordable units are not routinely included in most TIF annual reports. In addition to agreements with individual developers, seven TIF districts do include an affordable housing line item in the overall TIF budget. The budgeted amount for affordable housing of the combined 19 TIF districts is 4% or \$95 million out of an aggregate TIF budget of approximately \$2.5 billion.

% of Total Budget Reported for Affordable

Housing

TIFs Not Including Affordable Housing Line Item in Budget:

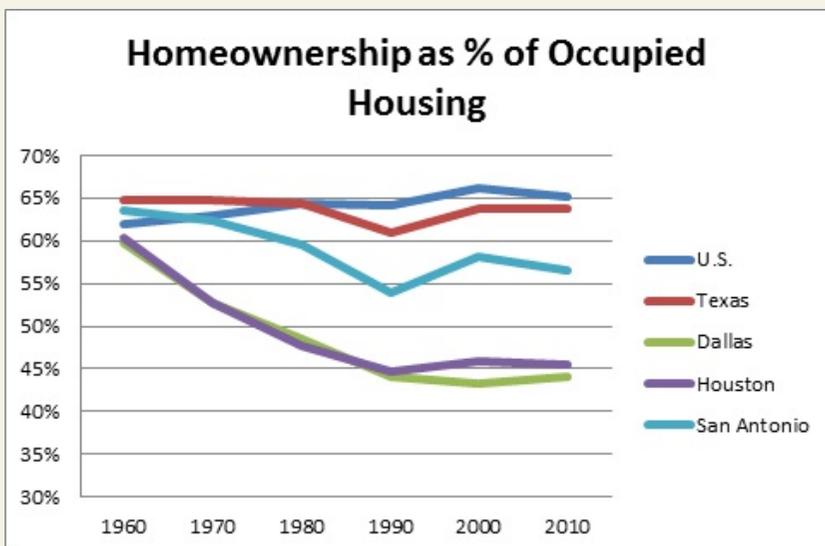
- Cedars
- Sports Arena
- State Thomas
- Cityplace
- Oak Cliff Gateway
- Cypress Waters
- Deep Ellum
- Design District
- Farmers Market
- Grand Park South
- Skillman Corridor
- Southwestern Medical



In reviewing the 2013 annual reports, of the 20,364 residential units reported in TIF-funded projects, 356 of these units (2%) are reported in the annual plans as being affordable. Given that the majority of TIFs have a 20% affordable housing requirement, this reported number likely significantly understates the number of affordable units in projects that have received TIF funding. Some examples of TIF-funded projects that include affordable housing components or TIF funds that support affordable housing in some other way are:

- the Providence at Mockingbird received \$625,000 from City Center TIF
- the Maple Station Project received \$4.4 million from the Maple/Mockingbird TIF
- the Lancaster Urban Village received almost \$4.3 million from the TOD TIF
- approximately \$615,000 from City Center TIF reimbursed affordable housing providers for permit fees and green building expenses, and
- \$406,000 was provided to the Urban Land Bank from the Sports Arena TIF.

Affordable housing is essential to the well-being of the City of Dallas. In order to reverse the alarming decrease in homeownership in Dallas and the serious population decline in many neighborhoods, the City should work to marshal all available resources. The TIF districts are an important resource to redevelop key areas and attract new residents to the City; as such, their annual reports should clearly and accurately reflect the affordable housing that they provide.



Sincerely,

Bill Kave

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