

Improving Neighborhoods and Preserving Affordable Housing Without Gentrification



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Improving Neighborhoods

Preserving Affordable Housing

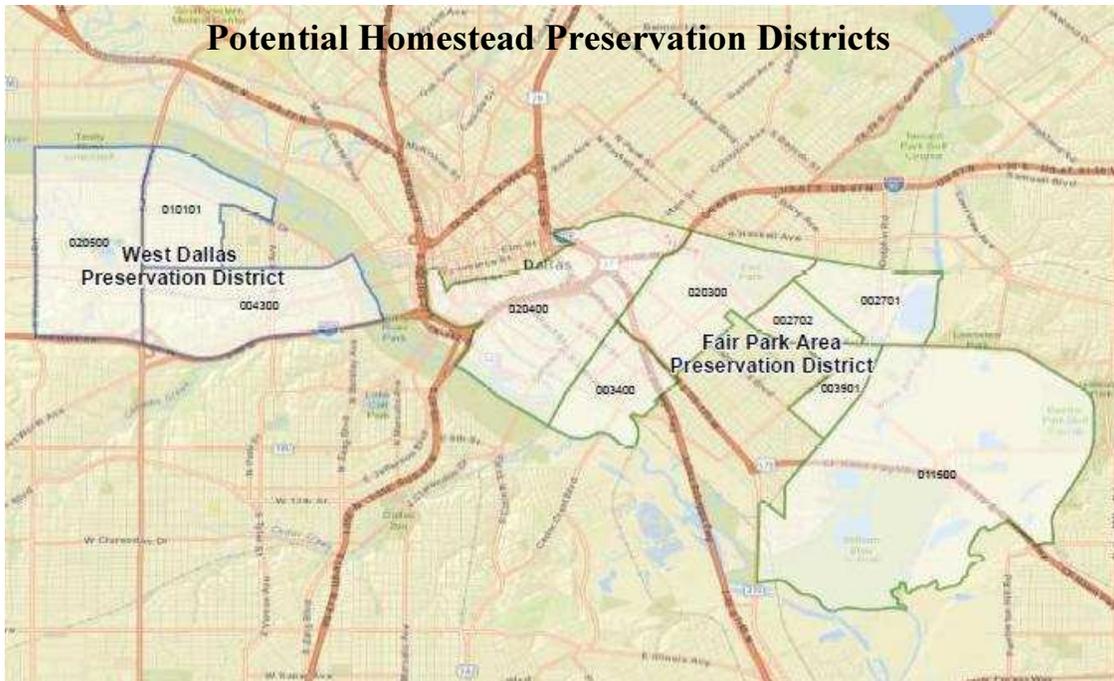


Rebuilding the lost vitality of fading communities without displacing long-term residents often seems impossible. We work in some of Dallas' oldest neighborhoods where frustrated lifetime residents often tell us they feel like there is always public funding to encourage new affluent housing developments and almost no help keeping devoted residents in their homes. While traditional housing funding may be complicated by the restraints associated with federal dollars, Texas **state statute** provides a local funding mechanism for just such home improvement: *homestead preservation districts*.

Austin recently approved the creation of three such districts ([Link](#)). Dallas could take advantage of this tool to meet **Neighborhood Plus** goals of enhancing rental options and expanding homeownership while simultaneously helping existing low-income homeowners stay put. To qualify, Dallas must define an area that meets the following criteria:

- Census tracts form a spatially compact area contiguous to a central business district;
- Contains fewer than 75,000 residents;
- Has an overall poverty rate at least twice the poverty rate for the City of Dallas; and
- Median family income that is less than \$30,000 (according to last decennial census).

Based on the 2010 census information, here are two areas that meet the criteria:



With high expectations surrounding the **potential station locations** for the planned high-speed rail train, and similar development near the Margaret Hunt Hill Bridge, around the Farmers Market, Civic Center, and Fair Park, these potential districts offer huge potential to ensure affordable housing options near Downtown and transit options. This configuration links these high potential areas (most already receiving public incentives via TIFs and other public funding) with aging neighborhoods in dire need of improved housing - Bonton, Ideal, Mill City, and Los Altos. In order to maximize the benefits, any preservation district must be put in place quickly to capitalize on expected development.

Once a homestead preservation district is designated, the City may provide tax-exempt bond financing, offer density bonuses, or provide other incentives to preserve or increase the supply of affordable housing within the district. Most critically, if the City deems the area to be unproductive, underdeveloped, or blighted, it may create a homestead preservation reinvestment zone. Once created, all tax increment generated in the reinvestment zone must be dedicated to the development, construction and preservation of affordable housing. Yes, portions of the proposed preservation districts fall within existing **Tax Increment Financing Districts**. Adjustments can be made when drawing a reinvestment zone to avoid overlap. While Dallas is struggling with housing policy--especially funding, preserving and locating affordable housing-- homestead preservation districts offer a way to assist many of Dallas' most deserving long-term residents while improving and revitalizing its most long-suffering communities.

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