An Analysis of Housing Affordability and Vulnerability in Dallas, Texas

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NALCAB

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Acknowledgements

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The recommendations in this guide reflect NALCAB's own perspectives and opinions.

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NALCAB defines Gentrification as a type of neighborhood change in which real estate price appreciation leads to involuntary displacement and significant cultural change.

Introduction

In 2017 and 2018, NALCAB—National Association for Latino Community Asset Builders—conducted studies of housing affordability and vulnerability in San Antonio and Houston, respectively. Of the trends identified in those reports, many pointed to similar challenges, in particular, the increasing vulnerability of low-income communities of color living in neighborhoods located in and around the urban core where housing prices are rising rapidly. This report presents a similar analysis of the Dallas housing market, with a focus on trends in real estate appreciation and neighborhood change, as well as possible implications these trends may have for housing affordability and vulnerability. First, we provide context about why housing and neighborhoods matter and we explain our methodology. Next, we define a few key terms used in the report before getting to the discussion of our analysis and findings. We close with recommendations for additional research and analysis to build upon the work presented in this report.

Why Housing and Neighborhoods Matter

Housing is a foundational element of the U.S. economy. The Bipartisan Policy Center reported that from 1980 to 2007, residential fixed investment contributed 4.5 percent to the U.S. Gross Domestic Product.[1] Perhaps more importantly, research has shown that where a family lives determines much about their economic trajectory and the opportunities their children will have.[2] Stable, quality, affordable housing in neighborhoods with access to employment, educational institutions, and health care resources, among many other opportunities, is critical for building wealth and economic security. In particular, areas with greater economic and racial diversity favorably impact the economic opportunities for children and families. A growing body of research confirms that stable, quality housing—whether rental or homeownership—contributes to school performance, diminishes health problems, and strengthens neighborhoods.[3]

Across the country, low- and moderate-income families that struggled during the Great Recession are facing post-Recession housing markets that present a variety of challenges related to affordability, access to opportunity (including employment, quality education, and healthcare services, among others), and building wealth. Furthermore, market trends that began before the Recession, specifically the flow of real estate investment into low-income African American and Latino communities located in and around urban cores, have only intensified in the ensuing years. Increasing investment in low-income communities presents both opportunities and challenges for residents. On the one hand, investment can help to revitalize a neighborhood and bring new amenities, safer streets, and the opportunity for property owners to build wealth. On the other hand, investment can cause gentrification, the consequences of which can be destructive for low-income people. Just as we know that living in a diverse neighborhood with economic and educational opportunities can impact children in positive, long-lasting ways, we also know that housing instability and limited access to quality educational opportunities can shape the trajectory of a child's life in negative ways.

Purpose of this Report

NALCAB's studies of housing affordability and vulnerability in San Antonio[4] and Houston (forthcoming) highlighted how housing market trends might impact different types of vulnerable populations and vulnerable affordable housing stock, and in which neighborhoods those impacts might be felt. In this report, we present a similar analysis for the City of Dallas, along with recommendations for additional analysis, in order to show how local housing market trends might impact different groups of people and different types of housing in different parts of the city.

The type of analysis demonstrated in this report can be used to inform decisions about how and where to target affordable housing production, preservation, and protection strategies to achieve overarching policy goals. In the case of Dallas, where addressing longstanding patterns of racial/ethnic segregation is one goal of the City's 2018 Comprehensive Housing Policy, preserving affordable housing and protecting African American and Latino residents in gentrifying areas—in order to prevent displacement and re-segregation—may be as important as making sure new affordable housing gets built in ways that do not perpetuate those patterns.

The analysis and findings presented in this report are not meant to be final and comprehensive. Rather, we view them as a first step that can and should be built upon. To that end, we have included recommendations for further investigation in the concluding section.

Methodology

This study relies on publicly available data and secondary sources, including the U.S. Census, U.S. Department of Housing and Urban Development (HUD), City of Dallas, private companies, and nonprofit research institutions. Furthermore, NALCAB utilizes proprietary data purchased from industry-recognized real estate data providers, including CoStar and HouseCanary. NALCAB also applies its own methodology for measuring neighborhood change.

NALCAB's Neighborhood Trend Analysis identifies neighborhoods that are changing in ways that might point to a current or impending trend of displacement. It does this by measuring changes at the census tract level in home values, rents, income, educational attainment, and race/ethnicity. The methodology is discussed in detail under Finding 4 on page 17.

Housing affordability is more accurately understood when accounting for transportation costs. Housing units of the same cost will be viewed differently based on their transit orientation and/or proximity to employment and educational institutions — destinations defining the length and cost of most day-to-day travel. Many experts consider combined housing and transportation costs affordable if they do not exceed 45% of income.[5] Due to the difficulty of finding transportation costs data, this report does not include transportation as part of overall housing affordability calculations.

For this report, single-family home values are used as a proxy for the overall housing market, understanding that values of multifamily housing and single-family homes are driven by different factors. The single-family home value data used for this report was purchased from HouseCanary, which uses a proprietary method to estimate the present-day value at which a given property would be sold in an arms-length transaction. The data are aggregated at the Census block group level, including data from all block groups that are either fully or partially within the limits of the City of Dallas.

Key Terms and Definitions

Before discussing our analysis and findings, it is important to define the terms we will be using in this report. This section provides definitions of four key terms.

Housing affordability: Housing affordability is measured by the ratio of housing costs to household income. Housing costs are most commonly considered to be affordable when they are equal to 30% or less of household income on a monthly basis. For renters, housing costs include rent, utilities, and insurance. For homeowners, housing costs include mortgage payments, utilities, insurance, and property taxes.

Affordable housing: This report places an emphasis on housing that is affordable to households that earn below the median income — half of all households in Dallas. The term "affordable housing" is often used to refer only to housing that is publicly subsidized, such as those financed with Low Income Housing Tax Credits, Section 8 vouchers, public housing funds, etc., however, most affordable housing is developed and operated without public subsidy and is sometimes referred to as "naturally occurring affordable housing" or "market-based affordable housing." We will use the latter term in this report.

Households experiencing housing vulnerability: Households experience housing vulnerability when there are factors that threaten their ability to access housing and/or maintain or remain in their homes. Vulnerable households may be less resilient to changes in the housing market and/or less able to maintain and repair their homes. In this report, we analyze one type of vulnerability:

> **Income-based vulnerability:** Households with low- and moderate-incomes have more limited housing choices relative to higher income households and are more vulnerable to market changes and natural disasters.
>
> Higher income households are more likely to have flexibility for responding to increasing housing costs. Lower income households typically spend a larger portion of their income on basic costs of living (food, clothing, transportation, etc.), which gives them less flexibility to pay for increasing housing costs. This makes them more vulnerable to displacement and/or homelessness when housing costs increase.

Vulnerable affordable housing stock: Existing affordable housing stock may be considered vulnerable either because there are factors that could lead to significant price increases or because deteriorating physical conditions or geographic location makes units unmarketable and/or uninhabitable. In this report, we analyze two different types of vulnerable affordable housing stock:

> **Subsidized rental units with expiring affordability covenants:** Privately-owned housing units that have been financed using government subsidies have affordability covenants, or time-limited requirements that units only be leased to households below a specified income range. Subsidized housing is subject to minimum housing quality standards and units are typically inspected by a government agency prior to lease-up and periodically thereafter. When covenant periods come to an end, the property owners may choose to increase rents to increase their net rental income or sell the property. This can lead to significant rent increases when affordability covenants expire on units located in high-cost or appreciating neighborhoods.
>
> **Market-based affordable housing located in neighborhoods experiencing price appreciation:** A sizable portion of the rental housing affordable to households earning below the area median income is market-rate housing- units built that operate without any government subsidy. This is a category of lower cost housing that can have significant quality concerns. In appreciating neighborhoods, this lower quality, lower cost housing is vulnerable to rapid price increases that can displace low-income tenants. Existing owners may increase rents as they see evidence that housing values are increasing, or they may sell their property to a new owner who may increase rents to match the rising market.

Month-to-month volatility in household income and expenses can exacerbate the vulnerability of low-income households, especially if incomes are dependent on insecure employment or underemployment.

Low income housing tax credits (LIHTCs) are among the most commonly used sources of subsidy to produce rent-restricted, affordable, rental housing developments. In Texas, developments financed with LIHTCs must maintain affordability for 30 years.

Analysis and Findings

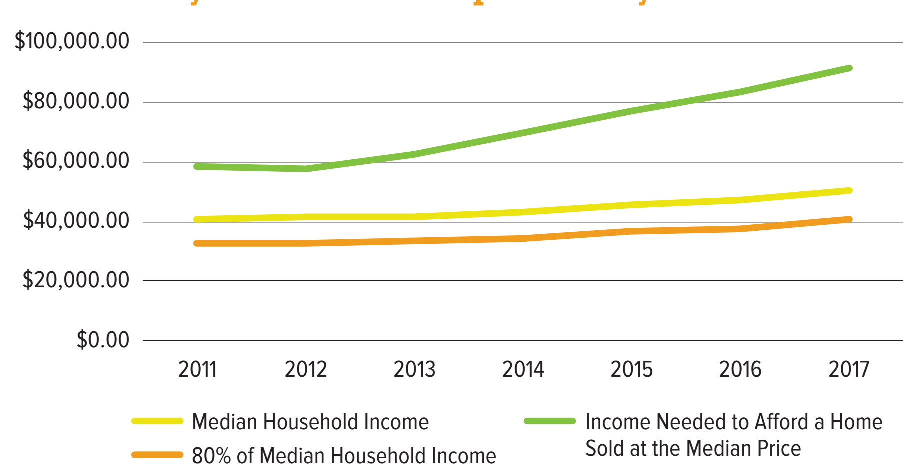
This section discusses the analysis of demographic and real estate market data in Dallas. We highlight Dallas's growing affordability challenges and the populations, places, and housing stock that may be most vulnerable. We present 6 findings and each finding is followed by a discussion of our analysis. As mentioned previously, this report is not meant to be comprehensive and final. Rather, it is an initial exploration of vulnerable populations and housing stock. In the concluding section, we recommend areas for further analysis.

Finding 1: *Homeownership is becoming increasingly unaffordable to low- and moderate-income households in the City of Dallas, who are disproportionately African-American and Latino.*

Analysis: Since 2011, median home sale prices in Dallas and the Dallas/Fort Worth/Arlington Metropolitan Statistical Area (MSA) have increased faster than incomes, making the regional housing market less affordable for the average household. Between 2011-2017 in the MSA, the median household income increased by 6% (from $69,100 to $73,400) and the median home sale price increased by 70% (from $149,900 to $255,000). In the City of Dallas, over the same period, the median household income increased by 25% (from $40,585 to $50,627) and the median home sale price increased by 62% (from $211,310 to $342,243).[6]

In the City of Dallas, where incomes are lower than in the MSA, a home sold at the median sale price is not affordable to a household that earns the median income for the city and, naturally, less so for households earning below the median. **Chart 1** shows the gap between median household income and income needed to afford a home sold at the median sale price, calculated using a tool developed by the National Housing Conference.[7]

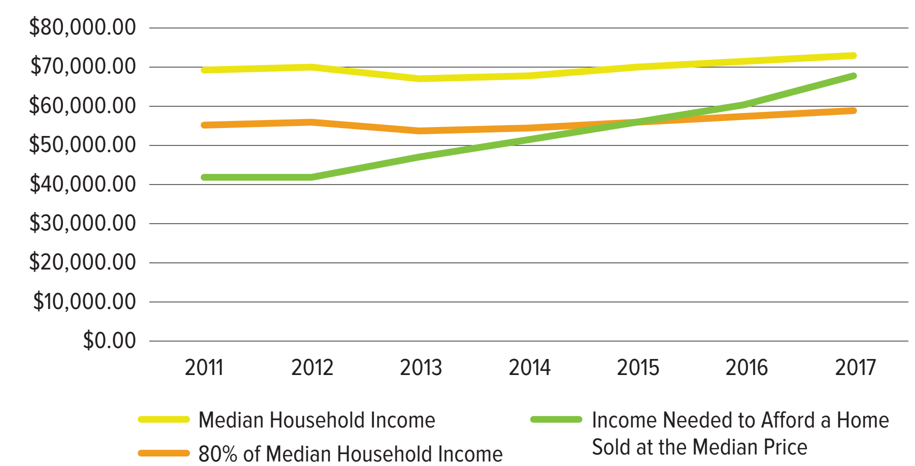
Chart 1:
Affordability of Homeownership in the City of Dallas



Since 2012, the gap has widened as housing prices have increased faster than incomes. In 2017, the gap between the median household income ($50,627) and the income needed to afford a home sold at the median price ($91,599) was $40,972 — meaning a family would need to earn $40,972 more per year to be able to afford a home sold at the median sale price. For low-income households (meaning those earning below 80% of the median household income) this gap was $50,097.

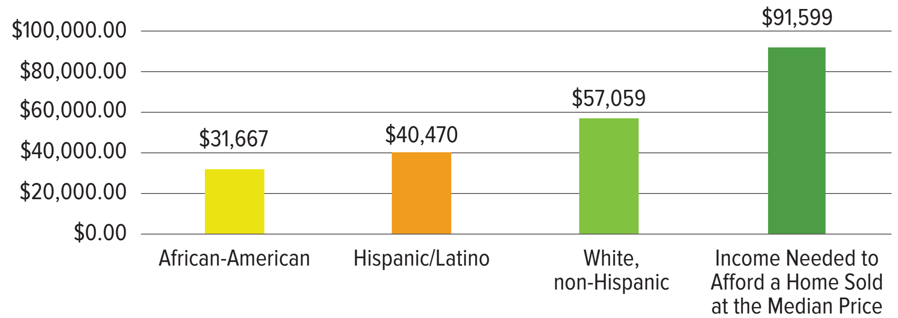
Chart 2 shows the gap between median household income and the income needed to afford a home sold at the median price within the MSA. In each year between 2011-2017, a household earning the median income for the MSA could afford to purchase a home sold at the median price. Since 2012, the increase in home sale prices has outpaced growth in income, putting this affordability at risk for those households. For low-income households in the MSA, homes selling at the median price are already unaffordable, and have been so since 2015.

Chart 2:
Affordability of Homeownership in the Dallas/Fort Worth/Arlington MSA



In Dallas, African-American and Latino households earn less than White households. This means that the overall affordability challenge illustrated in Chart 1 is worse for African-American and Latino families. **Chart 3** shows the median household income for African-American, Latino, and White households in Dallas in 2017.[8] It also shows the income needed to afford a home sold at the median sale price, from Chart 1. What Chart 3 illustrates is that housing is most unaffordable to African-American and Latino households, who faced gaps of $59,932 and $51,129, respectively, in 2017, between what they earned and what they needed to earn to afford a home sold at the median sale price.

Chart 3:
Median Household Income in the City of Dallas by Race/Ethnicity (2017)

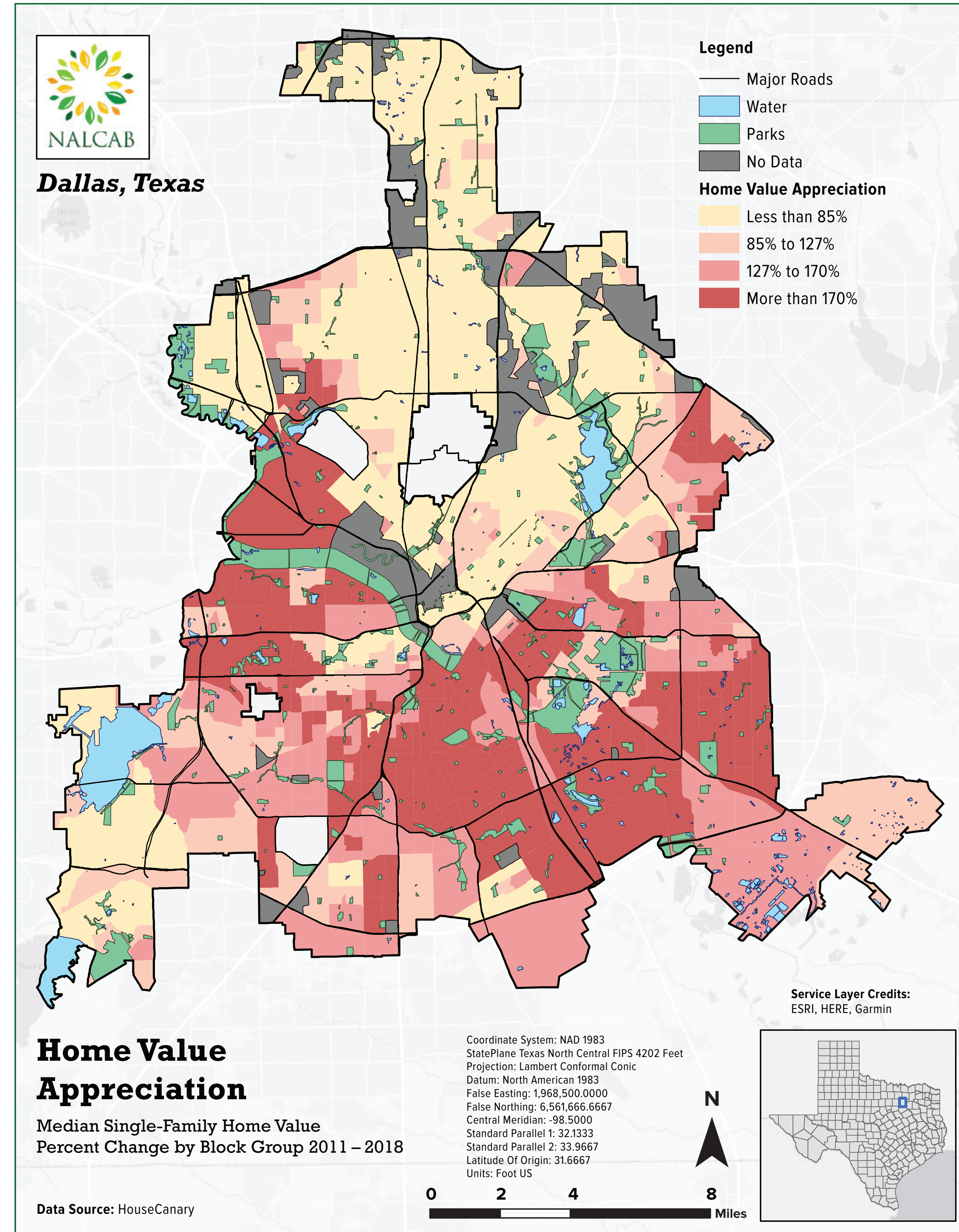


These racial disparities, along with the subsequent findings below, present an urgent challenge for the City of Dallas. Not only do African American and Latino residents currently make up two-thirds of the city's population, but long-term population growth is being driven in large part by growth in the African American and Latino communities. Therefore, the housing stability and economic wellbeing of African American and Latino residents in Dallas is crucial to the future economic wellbeing of the city (and region) as a whole. In Dallas County, where Hispanic/Latino residents are already the largest racial/ethnic group and make up about 40% of the population, the Texas Demographic Center projects the Hispanic/Latino population to grow by 70% between 2010-2050. Over the same time period, the African American population is projected to grow 63%, while the non-Hispanic White population is projected to shrink by 10%. In the Dallas-Fort Worth-Arlington Metro Area, the Hispanic/Latino population is projected to grow by 128% between 2010-2050 and will become the largest racial/ethnic group by the year 2050. Over the same period, the African American population in the metro area is projected to grow by 161% and the non-Hispanic White population by just 20%.[9]

Finding 2: *Housing prices are rising rapidly in areas of Dallas that are home to predominantly low-income and African-American and Latino households. Households living in these neighborhoods will be increasingly vulnerable to housing cost burden and displacement pressures as costs continue to increase.*

Analysis: The City of Dallas housing market has experienced broad-based appreciation since the Great Recession. Based on data purchased from HouseCanary, between 2011-2018 single-family home values increased by an average of 85%. **Map 1** shows these trends by block group and highlights areas that saw the fastest home value appreciation over this period. The areas colored in different shades of red all experienced single-family home value appreciation above the citywide average of 85%. The darkest shade of red indicates where single-family home values increased the fastest—at more than twice the citywide rate, or 170%.[10]

Map 1: Home Value Appreciation



For a household, appreciation in home values can mean many things. Those that own their homes and can keep up with rising costs (e.g. property taxes) are able to build wealth. For low-income Dallas residents, the risks associated with rapid appreciation in home values can include increased housing cost burden as rising housing costs (i.e. rent for renters and property taxes for homeowners) consume more of the family budget. This also increases the potential for displacement.

Map 2 shows median household income by block group in Dallas in 2017, the most recent year for which data are available. The lighter shaded areas indicate where household incomes are lower. Comparing Map 1 and Map 2, it is clear that areas with the fastest home value appreciation are also where Dallas residents with the lowest incomes live. **Map 3** highlights the location of these potentially vulnerable households. The shaded block groups indicate areas where median household income in 2017 was at or below $58,720 (80% of the metro area median income) and where:

- Single-family home values appreciated faster than the citywide average of 85% between 2011-2018 (lighter shading), or
- Single-family home values appreciated more than twice as fast as the citywide average (darker shading).

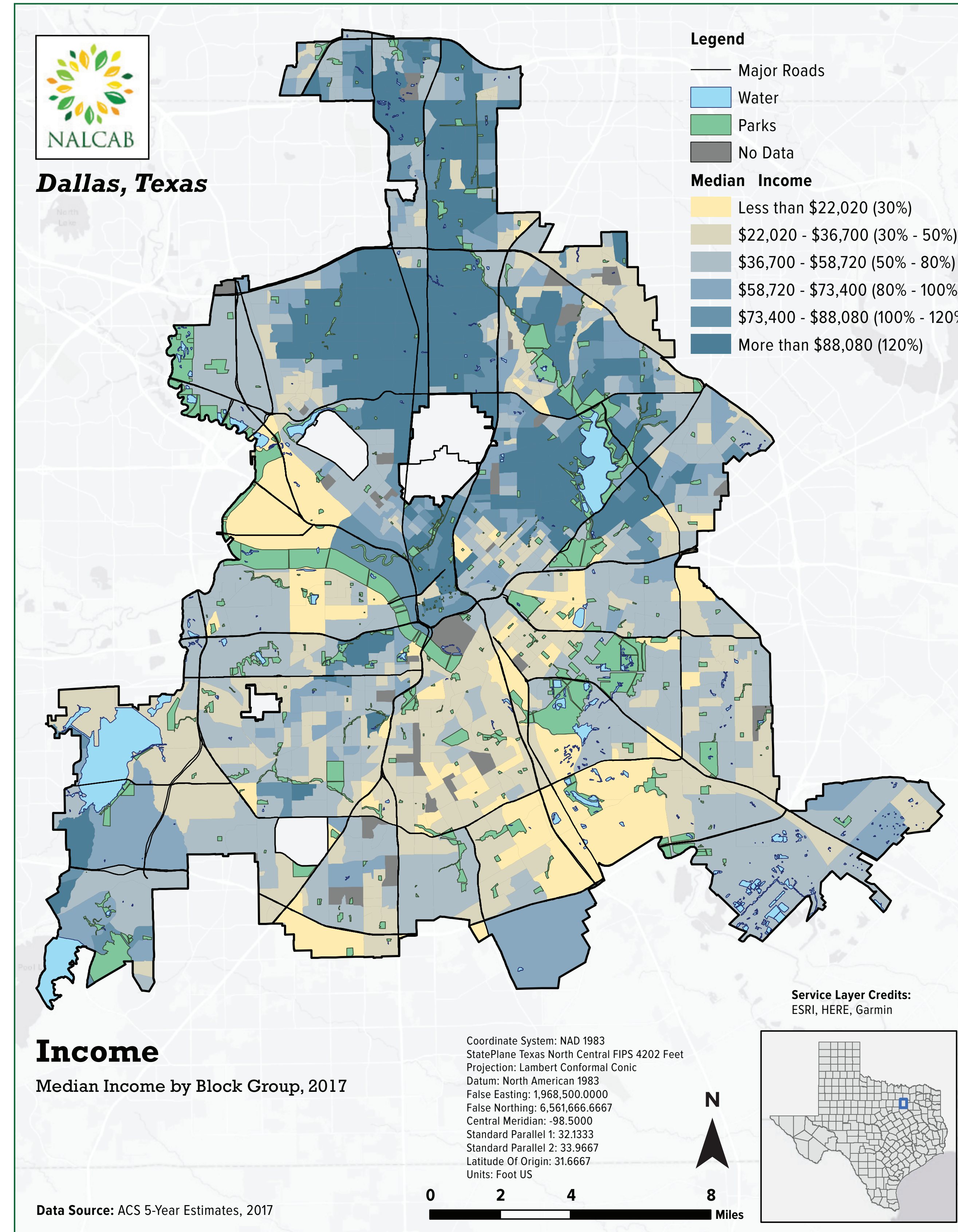
For reference, on Map 3 and subsequent maps we have included the three different types of reinvestment strategy areas established by the City of Dallas in their Comprehensive Housing Policy.[11]

Segregation by race/ethnicity is a longstanding feature of Dallas's housing market. **Map 4** shows where Dallas residents of different races/ethnicities live. Each dot on the map represents 500 people. The different colors represent different races/ethnicities. When comparing Map 4 to the previous maps, it is clear that the vulnerable areas identified by this analysis are primarily in parts of Dallas that are home to African American and Latino residents. As discussed under the previous finding, the stability and wellbeing of African American and Latino residents is key to the economic wellbeing of Dallas overall.

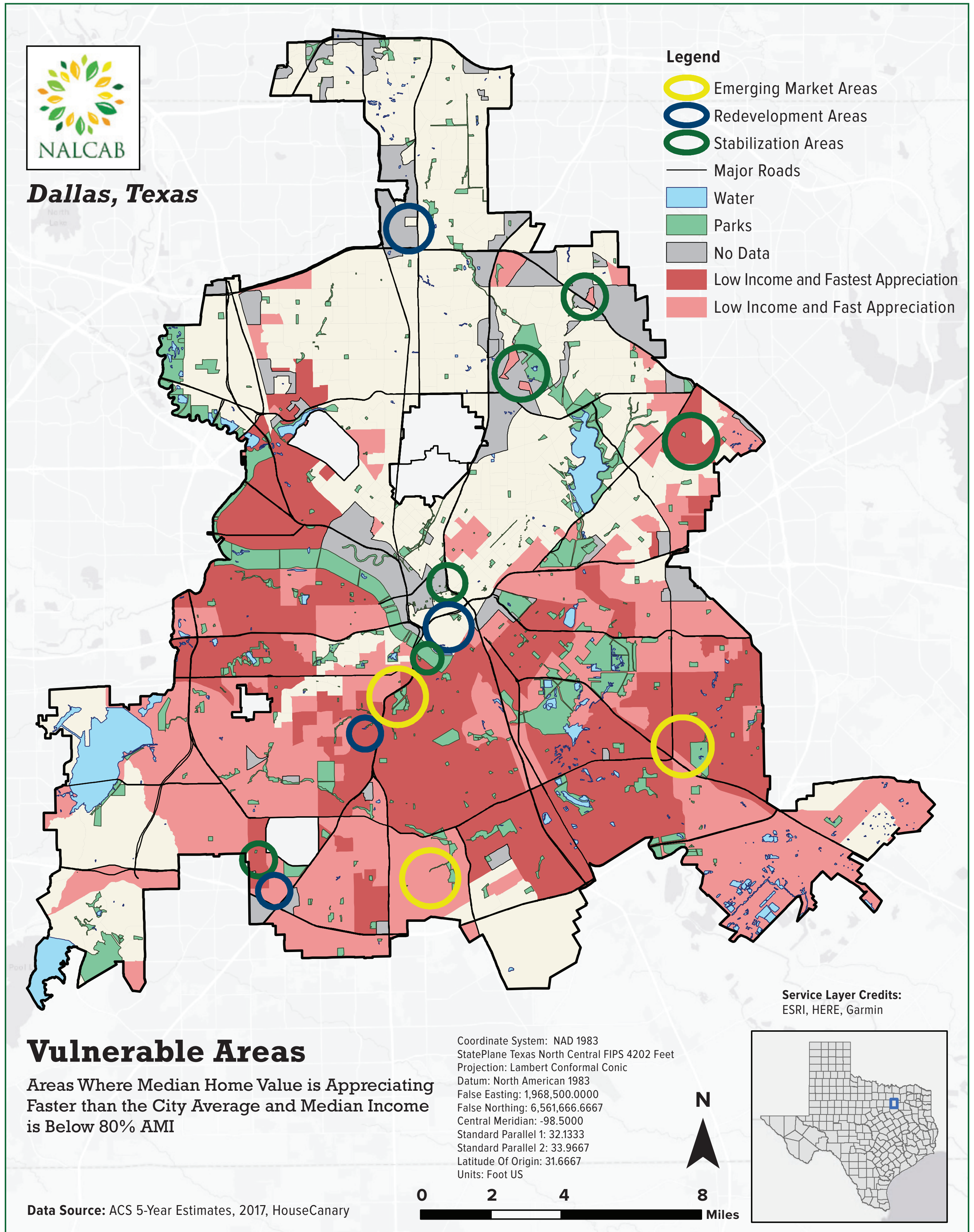
Finding 3: ***There are a number of neighborhoods in Dallas with a high concentration of cost-burdened renters, low household incomes, and fast appreciating housing prices. Low-income renters in these neighborhoods may be vulnerable to increased hardship and displacement pressures as housing costs continue to increase.***

Analysis: In 2017, 45% of renter households in Dallas were cost burdened, meaning they pay more than 30% of their income for housing.[12] Since existing housing costs are already consuming a large portion of their monthly budget, low-income renters that are cost-burdened are particularly vulnerable to increased hardship and displacement if housing costs increase.

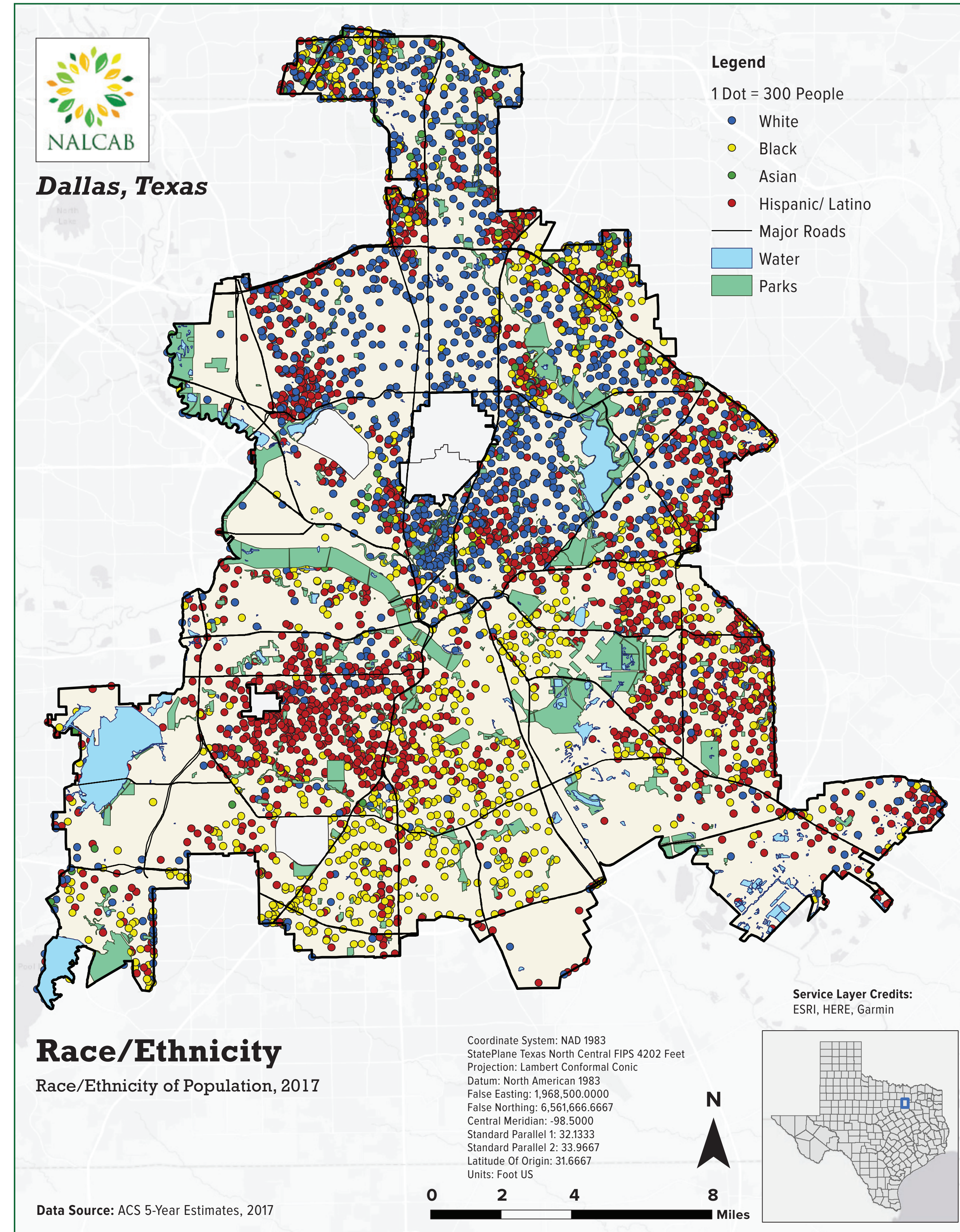
Map 2: Income



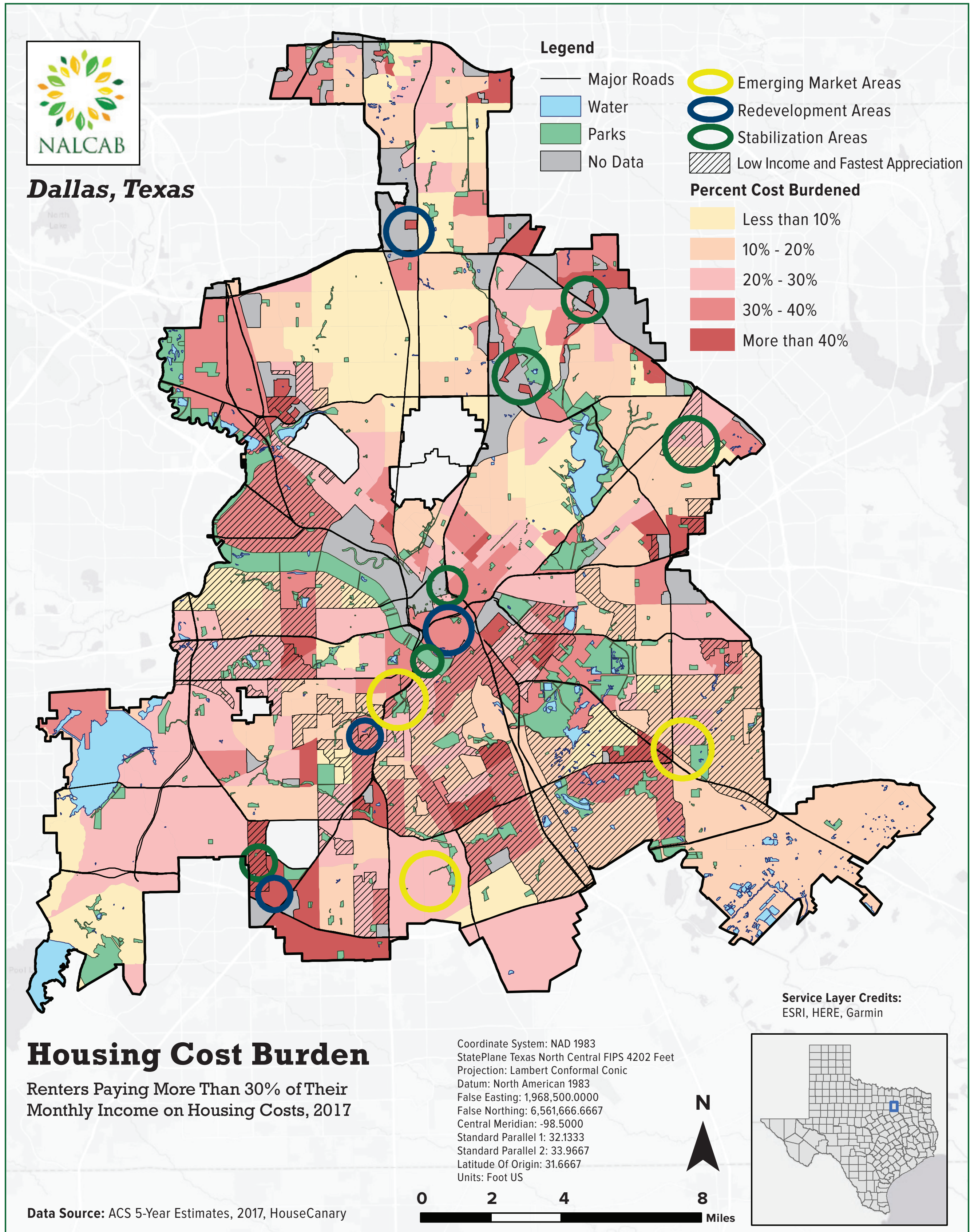
Map 3: Vulnerable Areas



Map 4: Race/Ethnicity



Map 5: Housing Cost Burden



Map 5 shows where cost burdened renters live in relation to what areas are appreciating the fastest and have low median household incomes. This map builds on Map 3 to further define the areas where low-income residents may be most vulnerable to increasing housing costs. The darker shaded areas represent a higher number of renters per census tract that are paying more than 30% of their income on housing costs. The hatch pattern represents areas where median household income was less than 80% of the metro area median income in 2017 ($58,720) and where single-family home values appreciated twice as fast as the citywide rate of 85% between 2011-2018—meaning values appreciated 170% or more over that time.

Finding 4: *A subset of appreciating neighborhoods are experiencing significant demographic changes, which could indicate current or impending displacement of vulnerable residents.*

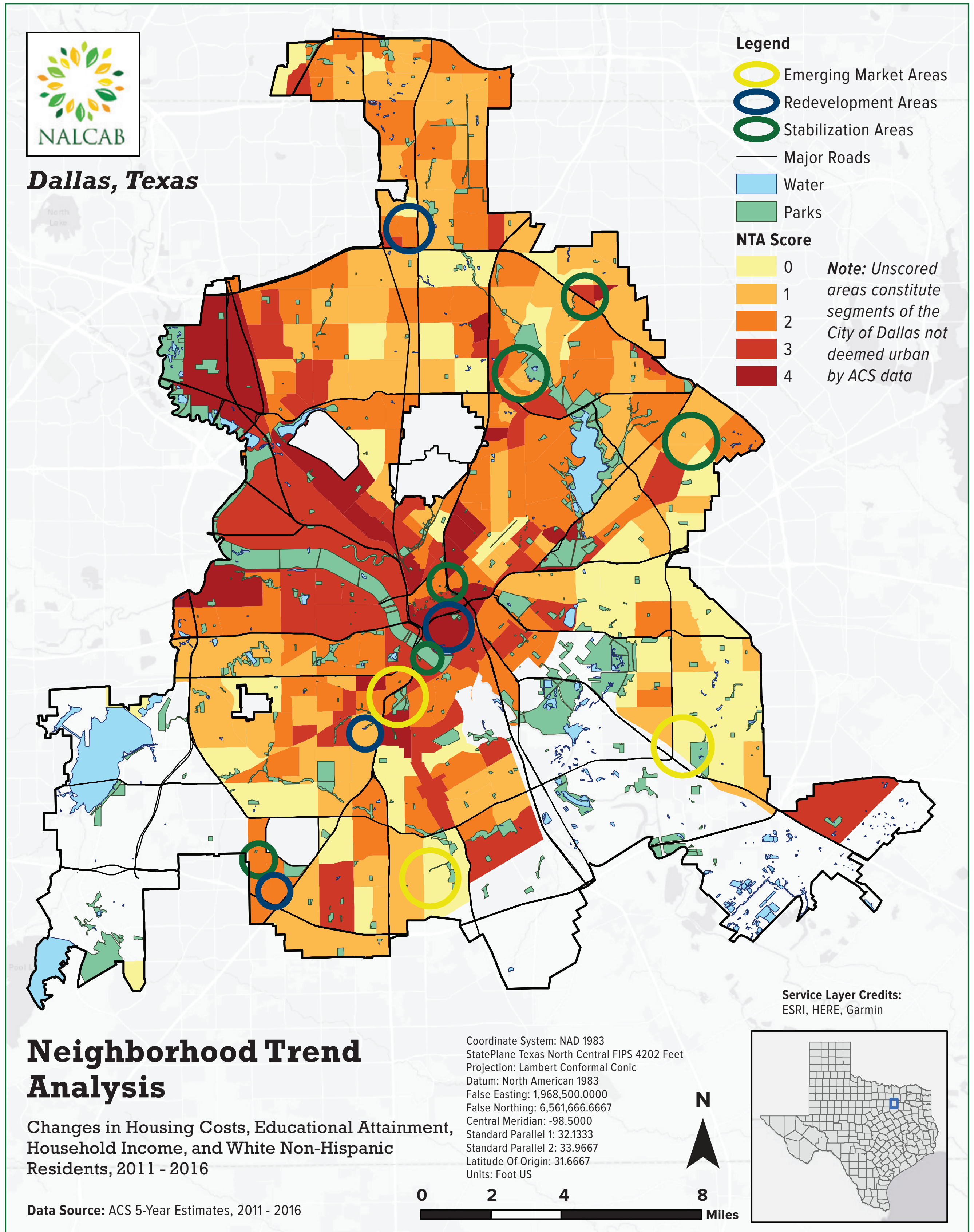
Analysis: Based on various studies of neighborhood revitalization and gentrification,[13] NALCAB created a method for identifying neighborhoods that are changing in ways that might point to a current or impending trend of displacement. The analysis measures changes over time in housing prices and demographics using indicators from the U.S. Census Bureau's American Community Survey. Changes at the tract level are compared to changes at the urban area level[14] to help separate specific neighborhood-level changes from larger trends. The indicators are:

- Median Home Value
- Median Contract Rent
- Median Household Income
- Population 25 years or older with at least a bachelor's degree
- Number of White, non-Hispanic, residents

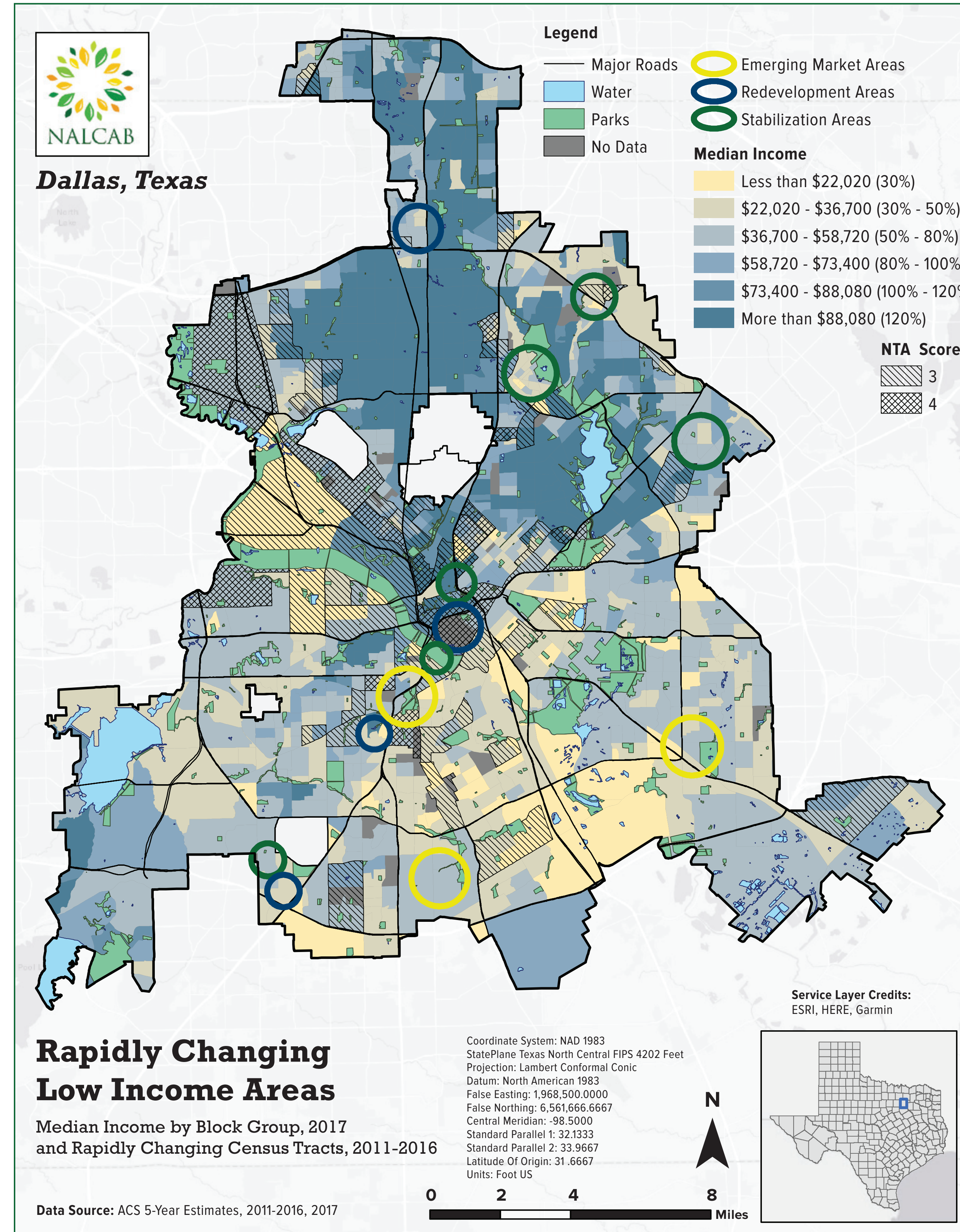
Each census tract is scored based on the number of indicators (0-4) that have changed more rapidly than the urban area's overall rate of change over a given period of time. The maximum score is four because one point is given if either Home Value or Contract Rent has appreciated faster in the census tract than in the overall urban area. In contrast to examining only the change in housing costs, this method identifies more complex changes in the demographics of a census tract. When price appreciation is accompanied by significant demographic shifts, the character or culture of a neighborhood may change.

A score of three or four using the Neighborhood Trend Analysis should not be understood as a positive or negative indicator in and of itself, but rather, as a flag for more in-depth investigation of housing vulnerability. Neighborhoods that have experienced disinvestment and high levels of vacancy may demonstrate rapid change as a result of community improvement

Map 6: Neighborhood Trend Analysis



Map 7: Rapidly Changing Low Income Areas



and a reduction in crime or vacancy and these are positive outcomes for neighborhood residents. However, lower income neighborhoods with low vacancy and strong social fabric might view rapid demographic change as a threat. Neighborhoods will experience these changes differently, requiring community engagement efforts to better understand the implications of market and demographic changes for residents.

Map 6 shows the neighborhood change scores for census tracts in Dallas between 2011-2016. There is a concentration of fast changing neighborhoods in and around downtown and at the northwest corner of the city. Importantly, a few of the census tracts that are experiencing rapid change across three or four of the above indicators also have low median incomes, as shown in **Map 7**.

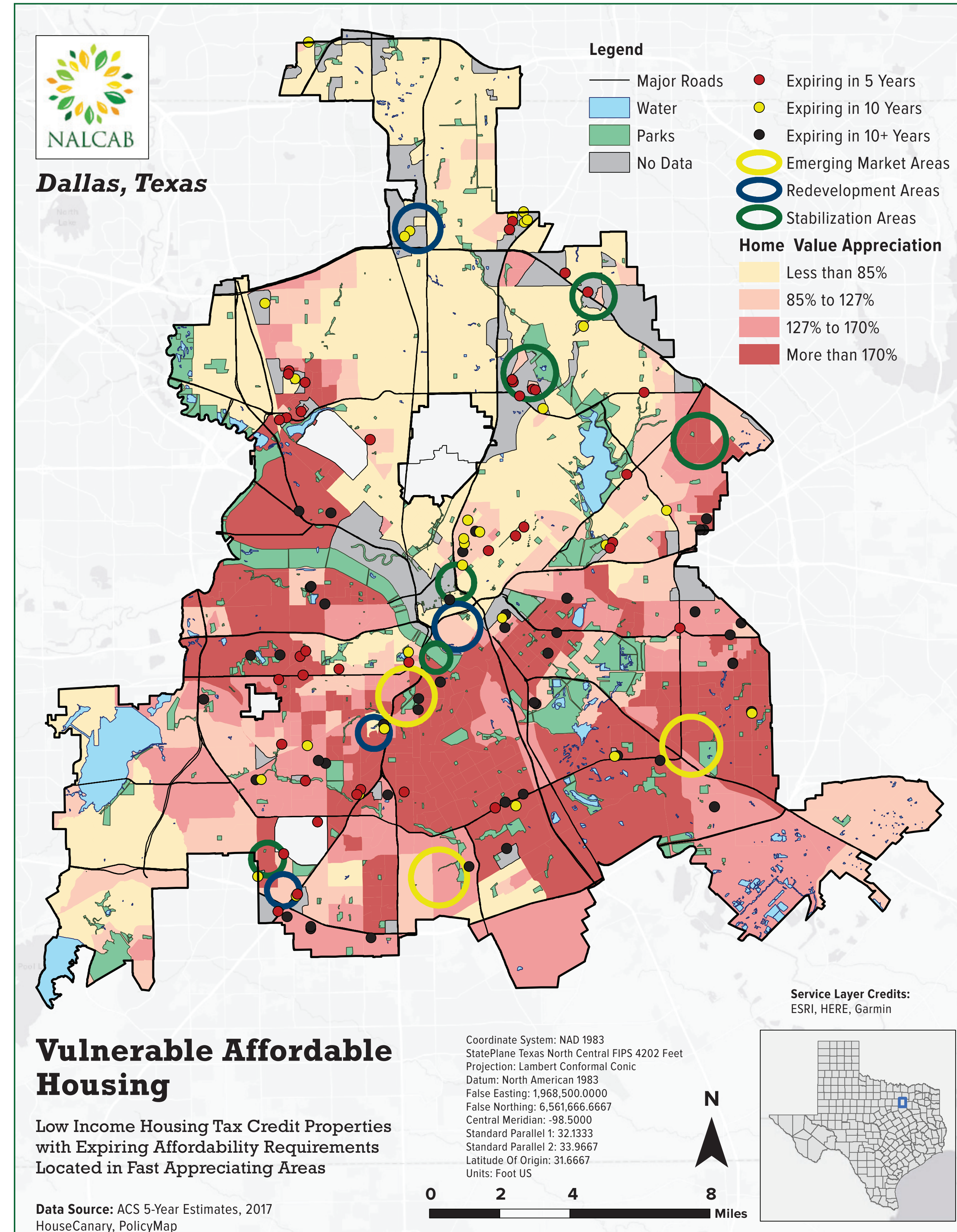
Finding 5: *There are a number of subsidized housing developments with expiring affordability covenants located in neighborhoods with higher than average home values or that are appreciating rapidly. Given the potential for these developments to generate more revenue as market-rate rental properties, they may be vulnerable to conversion to market-rate when their affordability covenants expire.*

Analysis: Appreciation in the Dallas real estate market has the potential to threaten the affordability of the subsidized rental housing stock. Some publicly subsidized affordable rental housing has time-limited affordability covenants that ensure rents are kept affordable to households at defined income levels. This includes properties financed with Low-Income Housing Tax Credits (LIHTCs), which, in Texas, have a 30-year affordability period. When there is a significant gap between the maximum rents that can be charged by the owner of subsidized apartments and the market rate rents in the surrounding neighborhood, the possibility exists for the owner to convert the property to market rate rents when the affordability covenants expire.

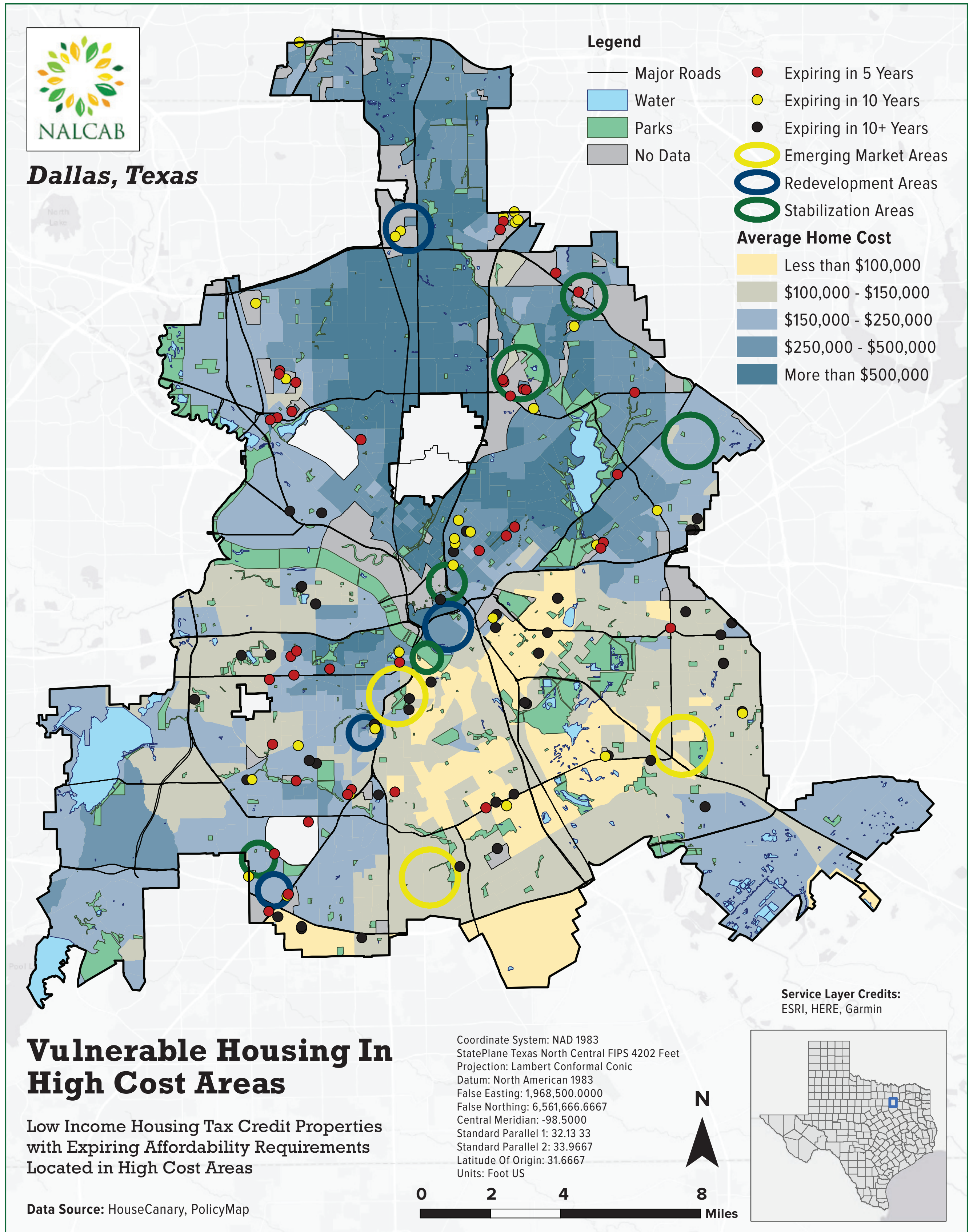
Over the next 10 years, the affordability covenants on over 12,000 units of LIHTC housing are scheduled to expire. Some of these properties are located in high value areas. Others are located in markets that are appreciating and may become high value areas in the near future. Barring some intervention, a significant number of these affordable housing units could be at risk of conversion to market rate. Further analysis is required to understand the risk of conversion to market rate for each project. Among other considerations, these analyses would include an examination of who owns each property and what other sources of finance were used for their development.

Map 8 shows the location of LIHTC properties with affordability covenants that are scheduled to expire within 5 years and 10 years and charts the changes in single-family home values between 2011-2018. The span of 2011-2018 serves as a proxy for real estate market appreciation more broadly.

Map 8: Vulnerable Housing: Expiring LIHTC in Fast Appreciating Areas



Map 9: Vulnerable Housing: Expiring LIHTC in High Cost Areas



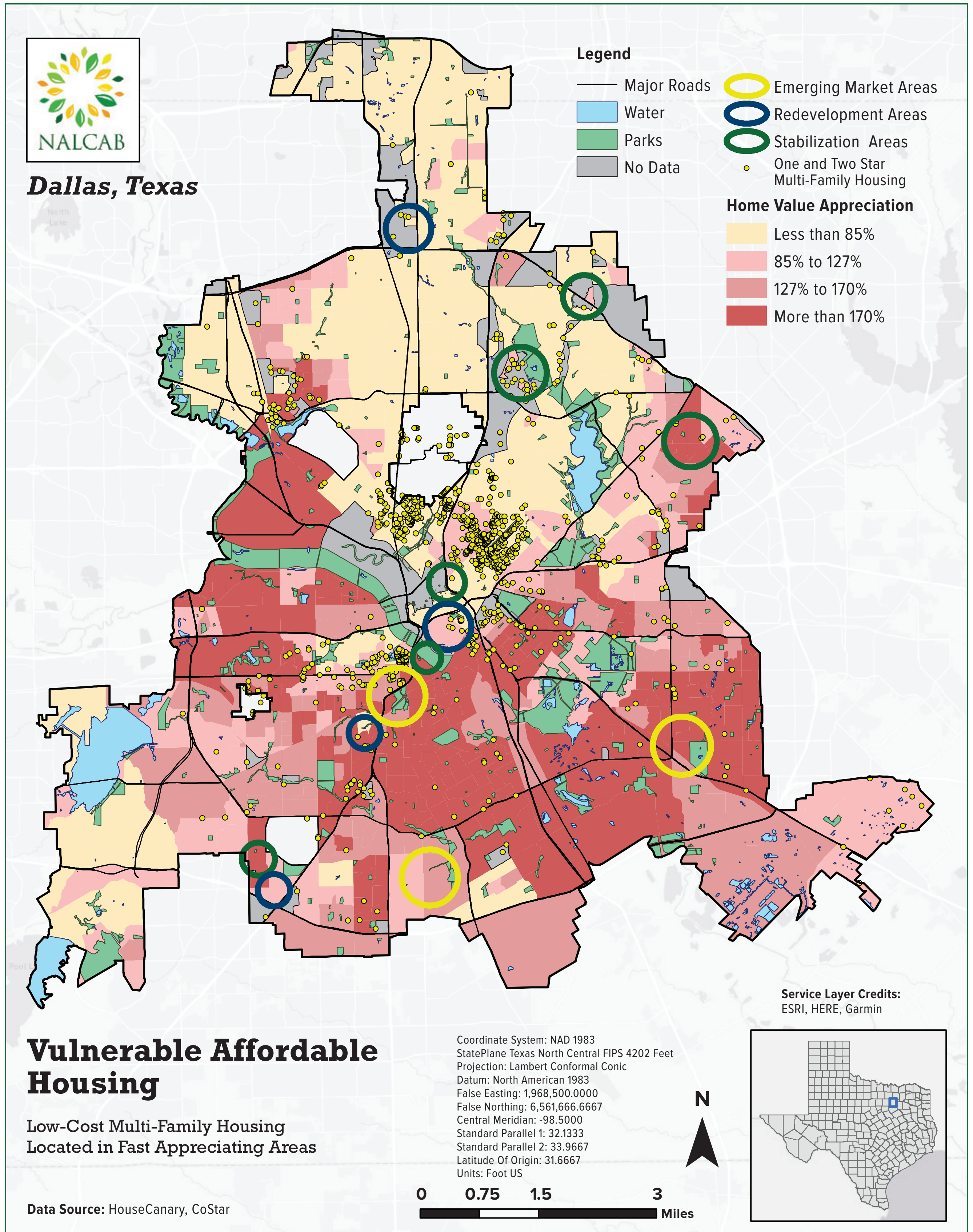
Map 9 shows the location of those same LIHTC properties and areas with high cost housing, as measured by median single-family home values by block group during the first half of 2018.

Finding 6: *There are many unsubsidized multifamily rental housing developments located in neighborhoods that are experiencing rapid real estate appreciation. These properties may be vulnerable to rapid rent increases or redevelopment.*

Analysis: In an appreciating real estate market, unsubsidized affordable rental housing is generally vulnerable to the impacts of market appreciation more immediately than subsidized properties that have affordability covenants. The Urban Land Institute Terwilliger Center for Housing requested a study by CoStar, a commercial real estate data analytics firm, of "naturally occurring" affordable housing across the United States. CoStar evaluates multifamily and commercial buildings on a 5-star scale.[15] Ratings are determined based on property characteristics like design and construction and are tested through field research, rating models, analytic quality assurance, and market advisories. Using this rating system, CoStar identified one- and two-star properties in its database as examples of naturally occurring affordable housing. They identified these properties as affordable by comparing rents to area median income and found that on average, rents in one- and two-star properties were 16.5% of average median income across all metro areas.[16]

Map 10 shows properties in Dallas that are rated by Costar with one or two stars. The locations of these multi-family housing properties are overlaid on the 2011-2018 single-family home value appreciation as a proxy for real estate market appreciation more broadly. Unsubsidized affordable housing developments may be vulnerable to price increases or redevelopment in areas with a relatively high rate of appreciation. These areas are indicated by the darkest shaded areas on the map. If these developments are currently a low-cost housing option for low-income tenants, the loss of their affordability will mean increased hardship for and/or displacement of those tenants.

Map 10: Vulnerable Housing: Low Cost Housing in Fast Appreciating Areas



Recommendations for Further Investigation

This report highlights that housing is becoming increasingly unaffordable for low- and moderate-income residents of Dallas. Our analysis shows that challenges related to housing affordability and vulnerability are particularly potent for African American and Latino residents of Dallas and for those that reside in areas that are experiencing significant real estate appreciation. To build on this work, the following are selected recommendations for further investigation based on the analysis and findings presented in this report.

- Analyze price trends in the multifamily rental housing market. This report used single-family home values as a proxy for the broader housing market. For a more accurate analysis of affordability challenges and vulnerability of renters in multifamily properties, data on the multifamily real estate market should be analyzed.
- Utilize a measure of housing affordability for Dallas that takes into account transportation costs based on housing location and different modes of transportation. CNT's Housing and Transportation (H+T®) Affordability Index is one source for these data.[17]
- Analyze neighborhood factors that may help predict where real estate market appreciation may occur in the near future. This might include desirable amenities, such as good schools and access to parks. In many places, a leading indicator can be the public sector—whether through direct investment or incentives—as the catalyst for private sector activity. Thus, analyzing the location of planned public investment may help to anticipate market trends. An example of where this phenomena is showing it may take hold would be the proposed multi-hundred million dollar investment into creating a 10,000-acre Nature District along the Trinity River corridor.[18] As seen on Map 6, the areas abutting the river are showing a marked increase in the indicators noting neighborhood change.
- Conduct a deeper analysis of subsidized rental housing with affordability covenants expiring in the next ten years to determine the true risk of conversion to market-rate housing. This analysis should look at the following:
  - » The history of tax credit properties that have had their affordability requirements expire and what has happened to them;
  - » The owners of the properties;
  - » Public sector programs that exist to help property owners pay for rehabilitation and maintain affordability beyond the 30-year tax credit affordability period; and
  - » The difference between rents charged at subsidized properties and market-rate rents in the same neighborhood.

- Conduct a deeper analysis of unsubsidized multifamily rental properties in appreciating neighborhoods. This analysis will help to further understand which properties are currently affordable to low-income households and which are most at risk of rent increases or redevelopment that could lead to displacement.
- More closely examine neighborhoods that received a 3 or a 4 on NALCAB's Neighborhood Trend Analysis to understand what factors are driving the demographic and housing market changes shown in the model and whether those changes are likely to continue.
- Collect and analyze data on additional categories of vulnerable populations and housing stock, including:
  - » **Households with individuals that have physical disabilities or mobility impairments, including frail elders:** These households have unique housing needs (i.e. concerns with accessibility, first floor access, etc.), which can significantly impact their quality of life and/or severely constrain their housing options. These challenges can be compounded for low- and moderate-income households, but are not limited to any income segment;
  - » **Households with different social vulnerabilities:** Access to housing can be impeded for people with varying immigration statuses or criminal histories;
  - » **Low-income homeowners with rapidly rising tax obligations:** Housing units that are owned by lower income households can be subject to increased housing costs due to rising tax obligations and insurance costs. Homeowners that claim the residence homestead exemption and seniors that claim the age 65 or older homestead exemption are protected — to different degrees — from rising taxes, though not from increases in insurance, utilities, homeowners' association (HOA) fees and other housing costs. Owners faced with tax obligations that they struggle to afford are vulnerable to foreclosure and/or property tax lenders who pay off property taxes and use the home as collateral to secure the debt. This lending model can lead to abuses when the owner misses a payment and the lender moves to foreclose on the entire house to pay the loan;
  - » **Mobile home communities:** Mobile home communities are a type of market-based affordable housing and are particularly vulnerable to real estate market price appreciation. Typically, the owner of a mobile home community owns the land, utilities, and other infrastructure improvements, and leases these to a household that owns or rents their own mobile home. When a mobile home community is sold to an investor who intends to develop the land for a different purpose, the entire community can be subject to displacement; and
  - » **Substandard housing and housing in significant disrepair:** The older a home, the more likely a property owner will need to invest significantly toward maintenance. When owners do not have the income to make repairs or have circumstances that make upkeep difficult or simply choose not to invest in a property, deferred maintenance can lead to conditions that trigger code violations. Code enforcement plays an important role in ensuring health and safety of a city's housing stock. Code violations may be an important indicator of the vulnerability of market-based affordable rental housing because they may trigger repairs that an owner may then seek to recover through increasing rent or condemnation of the building and displacement/relocation of the residents.

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[4] *An Analysis of Housing Vulnerability in San Antonio.* NALCAB, Jan. 2018, https://www.sanantonio.gov/Portals/0/Files/NHSD/Housing/presentationVulnerableCommunitiesAssessment.PDF

[5] *About the Index.* The Center for Neighborhood Technology's Housing and Transportation Affordability Index, January 2018, https://htaindex.cnt.org/about/

[6] Median household income for the MSA was determined using US Department of Housing and Urban Development area median income estimates for a family of 4, which can be accessed at https://www.huduser.gov/portal/datasets/il.html. City of Dallas median household income was determined using US Census Bureau American Community Survey 1-Year Estimates, Table B19013, which can be accessed at factfinder.census.gov. Median home sale prices are estimated using HouseCanary home value data.

[7] To calculate the "income needed to afford a home sold at the median price", we use the National Housing Conference's Paycheck to Paycheck analysis tool: https://www.nhc.org/wp-content/uploads/2016/08/Conduct_Your_Own_NHC_Paycheck_Analysis.pdf. For homeownership, we estimated the home purchase price using single-family home value information from HouseCanary; interest rates from the Federal Housing Finance Agency Monthly Interest Rate Survey (MIRS), using the contract interest rate for conventional single-family mortgages (https://www.fhfa.gov/DataTools/Downloads/Pages/Monthly-Interest-Rate-Data.aspx); and assume a monthly insurance cost of .022 for Dallas (assuming .0015 for a low-cost area and .0025 for a high cost area). A down payment amount of 10% of the purchase price was assumed. Principal and interest were calculated assuming a 30-year fixed mortgage, adding monthly taxes and insurance to monthly principal and interest amount to calculate monthly homeownership costs (or PITI). It was assumed that underwriters would not accept a housing debt to income ratio of more than 28% of annual income.

[8] U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Median Household Income in the Past 12 Months (In 2017 Inflation-Adjusted Dollars), Tables B19013B, B19013I, B19013A.

[9] Texas Demographic Center, Population Projections. https://demographics.texas.gov/Data/TPEPP/Projections/. Accessed May 7, 2019.

[10] Please note that the maps in this report, the areas around North Lake and Lake Ray Hubbard are not displayed. This is for visual purposes only—the data from these areas are included in the analysis.

[11] *Comprehensive Housing Policy.* City of Dallas Department of Housing and Neighborhood Revitalization, March 19, 2018 (Amended April 27, 2018). Pages 7-8.

[12] U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Table B25106

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[14] Urban Area is a geography used by the Census Bureau to delineate between urban and rural areas. An urban area is defined by the Census Bureau as a "densely settled core of census tracts and/or census blocks that meet minimum population density requirements, along with adjacent territory containing non-residential urban land uses as well as territory with low population density included to link outlying densely settled territory with the densely settled core." https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural/2010-urban-rural.html.

[15] CoStar. http://uli.org/wp-content/uploads/ULI-Documents/ULI_NAAHL_Presentation.pdf

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[17] https://htaindex.cnt.org/

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