# Table of Contents

- **Executive Summary**: 02-09
- **Fundamental Concepts**: 10-15
- **Relevant Data**: 16-22
- **Community Input**: 23-25
- **Recommendations**: 26-43
- **Housing Goals**: 44-47
- **Case Study**: 48-50
- **Performance Measures**: 51-56
- **Glossary**: 57-60
- **Endnotes**: 60-62
Irving is a strong city that is facing housing challenges.

Irving's residential housing market is highly desirable given its location just northwest of Dallas, Texas and near the Dallas-Fort Worth International Airport. Boasting a high quality of life as the ninth most diverse city in the United States, Irving is a magnet for corporate headquarters and foreign business investment.

However, Irving is facing several housing-related challenges that, if left unaddressed, are likely to dampen Irving's ability to maintain its strong economy. These challenges include:

An aging housing stock. Over one quarter of Irving’s housing units were built before 1970. When compared to nearby cities, Irving has the 3rd highest percentage of housing units built prior to 1970. In the coming years, these homes are likely to need expensive repairs to major systems, including roofing, electrical and HVAC. If the individuals and families living in these housing units are unable to afford necessary repairs, the housing stock will deteriorate, thereby creating potentially dangerous living conditions and leading to lower property tax assessments and an increased need for code enforcement activity.
A lack of diversity of housing types. Irving’s housing stock is concentrated in two types of housing units: single-family detached homes (38%) and apartments (55%). There are very few duplexes or townhomes (5.3%), which can provide a more affordable entry point for homeownership due to their smaller size. Nearby cities fare no better when it comes to diversity of housing type, with only the City of Euless having a higher percentage of townhomes and duplexes (5.7%).

A low median household income. At $64,868, Irving’s median household income is the 2nd lowest when compared to nearby cities, with only Dallas having a lower median household income ($52,580). Similarly, Irving has a comparatively higher percentage of households earning lower incomes. Specifically, 37% of households in Irving earn less than $50,000 per year, compared to only 30% in Carrolton and 29% in Farmers Branch.

A lack of deeply affordable rental housing units. While Irving’s median gross rent of $1,146 is comparable to nearby cities, approximately 38% of Irving renters spend 30% or more of their income on rent. These lower-income renters become housing cost-burdened, which decreases their ability to pay other bills and to save for emergencies. However, even if Irving renters wanted to try to find a deeply affordable rental housing unit in a nearby city, they would face difficulty since an even higher percentage of renters in Carrolton, Dallas and Grand Prairie (45%) spend 30% or more of their income on rent.

The table below depicts the struggle that low-income wage earners face when attempting to find a home in Irving where they do not have to spend more than 30% of their income on either rent or mortgage expenses.

<table>
<thead>
<tr>
<th>% of Irving Workforce</th>
<th>Estimated Annual Household Income</th>
<th>Estimated Monthly Household Income</th>
<th>Max. Affordable Rent</th>
<th>Max. Affordable Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>$22,150</td>
<td>$1,846</td>
<td>$554</td>
<td>$92,356</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>$22,566</td>
<td>$1,881</td>
<td>$564</td>
<td>$94,090</td>
</tr>
<tr>
<td>Healthcare &amp; Social Assistance</td>
<td>$24,386</td>
<td>$2,032</td>
<td>$610</td>
<td>$101,679</td>
</tr>
<tr>
<td>Transportation, Warehousing, &amp; Utilities</td>
<td>$29,950</td>
<td>$2,496</td>
<td>$749</td>
<td>$124,878</td>
</tr>
<tr>
<td>Administrative, Support, &amp; Waste Management Services</td>
<td>$31,146</td>
<td>$2,595</td>
<td>$779</td>
<td>$129,865</td>
</tr>
<tr>
<td>Educational Services</td>
<td>$54,076</td>
<td>$4,502</td>
<td>$1,352</td>
<td>$225,473</td>
</tr>
</tbody>
</table>
When individuals and families can’t find housing in Irving that meets their needs – either in size and design, condition, location, or price of the housing unit – they have two options: (1) choose to live in another city that offers housing that meets their needs, or (2) choose to live in Irving, but reside in a home that may be overcrowded, substandard, far from amenities, or costs too much. Neither of these decisions benefit Irving, as the result is population loss, rising rates of individuals and families who are housing cost-burdened, and neighborhood instability that leads to real estate market weaknesses.

Population loss, especially among low-skilled workers, negatively impacts Irving small businesses. For example, retail and food services businesses, which employ a large percentage of unskilled workers and typically pay lower wages, will struggle to find employees who are willing or able to commute a long distance for a lower wage job. Even when workers accept a position with a local small business, they may be prone to tardiness, absenteeism, and burn-out due to their longer commutes, especially if they rely on inconsistent forms of public transit. Similarly, larger corporations may reconsider relocating to or expanding in Irving if they believe they will not be able to attract employees such as administrative professionals and entry-level analysts who need housing that is affordable for persons of moderate-incomes and that is within a reasonable commute to the office.

Likewise, Irving does not benefit when individuals and families are forced to spend too high of a percentage of their income on housing costs. When this occurs, the household’s disposable income shrinks, thus decreasing the amount of money they can spend at local retailers and service providers and thereby leading to decreased municipal sales tax revenue.

The Housing Plan will help Irving protect its strong economy.

Due to its housing challenges, Irving has a significant incentive to formulate an ambitious plan to facilitate the development and preservation of a housing stock that meets the varied needs of its diverse population and attracts new residents to the city. However, Irving cannot simply build its way out of constrained, monotonous housing supply because it is a predominantly built-out city that is unable to grow by annexing new land. Nor does Irving have an endless supply of funds that it can dedicate to resolving its housing challenges.
Therefore, this Housing Plan, which was guided by community input collected over the course of 2020-2021, sets forth a series of policy recommendations, housing production and preservation goals, and performance measures that are based on current real estate market realities and acknowledge that public funds must be strategically deployed.

Taken together, the policy recommendations, housing production and preservation goals, and performance measures provide a tailored approach to addressing Irving’s most pressing housing challenges so that Irving can retain its well-earned position as a safe, livable, high-quality city with numerous job opportunities.

**Recommendations** provide the strategic actions that Irving can take to facilitate the development and preservation of affordable housing units.

**Housing Production, Preservation and Economic Mobility Goals** lay out the number of housing units that Irving should seek to produce and preserve on an annual basis in order to meet the city’s housing needs while taking into account funding and staff capacity constraints.

**Performance Measures** set forth outcomes related to the stability and improvement of housing units, neighborhoods, and family financial health that Irving can seek to achieve through its housing production and preservation activities.

Adoption of the Housing Plan by the Irving City Council will be the first of several steps that will need to be taken in order for Irving to address its housing challenges. Following adoption of the Housing Plan, city staff will need to draft ordinance amendments, seek community input on changes to the federally-mandated Consolidated and Annual Action Plans, and solicit applications from property owners and individual households seeking to participate in the city’s housing programs.

It is intended that this Housing Plan be revisited on a five-year cycle that aligns with the development and approval of the Housing and Urban Development (HUD) Consolidated Plan. Prior to these regular reviews, Irving should update the datasets used in the Market Value Analysis (discussed on page 20) so that the City can gauge its progress towards achieving both its production, preservation and economic mobility goals (discussed on page 44) and its performance outcomes (discussed on page 51).
Summary of Recommendations

This Housing Plan builds upon the Imagine Irving Comprehensive Plan and focuses on 3 key approaches to addressing Irving’s housing challenges: Preservation, Development and Economic Mobility.

**PRESERVATION**

Preservation strategies prioritize resources to make necessary investments into existing housing stock to preserve existing affordable housing and bring it to current market standards. This helps address accessibility and longevity of homes so that families can age in place.

**DEVELOPMENT**

Development strategies identify opportunities to create new housing options that meet today's consumer needs.

**ECONOMIC MOBILITY**

Economic Mobility strategies identify tools or programs that can be used to provide individuals and families with a diverse range of incomes and housing needs access to market-rate housing.

This framework will help Irving:

- Engage in strategic, rather than ad hoc, decision-making related to planning and zoning that facilitates the development of strong neighborhoods and an increased property tax base.
- Effectively leverage federal funds with private investment to build and preserve housing that is affordable for low- and moderate-income households, and
- Support small businesses and larger corporations by providing varied, high-quality housing opportunities within close proximity to jobs so that businesses are able to retain employees, increase employee productivity, and generate sales tax revenue.
### Preservation

1. Create a Multifamily Rental Rehabilitation Loan Program to incentivize owners of aging apartment communities to invest in health- and safety-related renovations while also maintaining the affordability of the housing units.

2. Create a Single-Family Rental Rehabilitation Loan Program to incentivize single-family landlords to invest in health- and safety-related renovations while also maintaining the affordability of the housing units.

3. Continue to operate and fund the existing Home Rehabilitation Program to help low- and moderate-income homeowners make necessary repairs to their homes.

4. Create a Neighborhood Empowerment Zone (NEZ) program that provides incentives to low- and moderate-income homeowners who repair their homes.

5. Apply for additional Housing and Urban Development (HUD) Section 108 financing to support the Multifamily Rental Housing Rehabilitation Program.

6. Support the development of Accessory Dwelling Units by partnering with a local lender, such as a Community Development Finance Institution (CDFI), to create an ADU loan product targeted at low- and moderate-income homeowners.
Proactively identify development opportunities for Community Housing Development Organizations (CHDOs) in order to build the capacity of community developers and effectively deploy restricted federal dollars.

Develop objective evaluation criteria for providing support to Housing Tax Credit projects to encourage the development of affordable housing units in strong real estate markets with numerous amenities.

Create a new base zoning district that allows for more than one single family detached dwelling unit to be constructed on a parcel of land in order to promote the development of ADUs, cottage homes, and tiny homes.

Adopt Appendix Q to the 2021 International Residential Code to allow for the development of tiny homes.

Explore the viability of creating Density Bonus and Community Land Trust Programs to provide affordability in areas that are likely to become strong real estate markets.

Create a streamlined, online incentive application process for housing developers that helps the city match available incentives with eligible projects and decreases the burdens of applying for city housing incentives.

Identify a funding source that will allow the city to provide gap financing for new housing development projects.
Economic Mobility

01 Raise the assistance limits in the Down Payment Assistance Program to address the increasing gap between moderate-income homeowners’ borrowing capacity and the sales prices of homes.

02 Create a searchable inventory of affordable housing units along with a consolidated housing waitlist that makes it easier for individuals and families to locate and secure affordable housing units.

03 Create an Employer Assisted Housing Program to leverage private incentives designed to encourage employees to live in Irving.

04 Leverage the adoption of the Housing Plan to obtain competitive grants of funding in order to expand the scope of existing housing programs.

The table below depicts the economic mobility that children of low income parents were able to achieve based on the Irving neighborhood in which they grew up. Where children were able to achieve higher incomes than their parents (i.e. economic mobility), their childhood neighborhood is shaded in blue.
Fundamental Concepts
Too often, affordable housing is achieved through the development of a sub-market product that, due to its inferior quality, does not provide homebuyers with real equity and often must be built in areas where values are already low. Often this approach to affordable housing development translates into a concentration of low value for-sale and rental housing in areas that lack basic market amenities and have low quality of life factors. Such interventions do little to help individuals and families rise out of poverty, build generational wealth, and achieve improved health and educational outcomes.

In contrast, this Housing Plan approaches affordable housing development by promoting the Traditional Neighborhood Development principle of creating a diversity of housing products within a community, which allows for neighborhoods that are more resilient and attractive to residents with a range of incomes. Furthermore, in order to avoid the negative effects of redevelopment or reinvestment efforts such as displacement or gentrification, this Housing Plan proposes the strategy of layering affordability on high-quality market rate housing. This strategy directs appropriate public subsidies to each side of the transaction: development and end user. More importantly, this approach ensures that families assisted by such interventions are not concentrated in distressed neighborhoods and are provided an opportunity to attain the American Dream of homeownership with reasonable and steady appreciation.

Defining Affordability for Homeownership and Rental
Housing affordability does not refer to subsidized housing; it refers to whether or not housing is affordable based on generally accepted household budgeting principles. That is, no more than 30% of household income should be spent on housing and related expenses. The following two graphics on the next page provide real-world examples of how this concept of "housing affordability" translates into a family's ability to purchase or rent a home.
**FUNDAMENTAL CONCEPTS**

**Homebuyer Example:** Assume that a family of four (2 adults, 2 children) would like to purchase a home. The two adults earn a combined household income of $68,950 and they have a less-than-stellar credit history. When the family applies for a mortgage, their bank takes into account their credit history and offers a mortgage interest rate of 6% for a 30-year mortgage. Therefore, according to the Housing Plan’s definition of “housing affordability,” the family should spend no more than 30% of their $68,950 annual income on housing and related expenses, which is no more than $20,685 per year or $1,724 per month. In order to calculate their mortgage capacity based upon the affordable annual housing payment, we divide their annual housing payment ($20,685) by the mortgage constant for a loan with a term of 30 years and a 6% interest rate (0.07195) to calculate a maximum mortgage capacity of $287,491.

<table>
<thead>
<tr>
<th>Household Budget</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Housing &amp; related expenses (principal, interest, taxes, homeowner’s insurance, HOA fees)</td>
<td>$20,685</td>
</tr>
<tr>
<td>20% Transportation, groceries, utilities</td>
<td>$13,790</td>
</tr>
<tr>
<td>20% Savings, retirement, and consumer debt payments</td>
<td>$13,790</td>
</tr>
<tr>
<td>30% Personal entertainment, cell phone, cable, gym membership, eating out, leisure travel</td>
<td>$20,685</td>
</tr>
<tr>
<td>100%</td>
<td>$68,950</td>
</tr>
</tbody>
</table>

**Annual Debt Service For Housing & Related Expenses**

$20,685 or $1,724 (monthly)

**Mortgage Capacity**

$20,685/0.07195* = $287,491

*Mortgage constant for 30-year loan with 6% interest rate

**The Story Behind the Numbers** – Jahan and Mirah have two young children—a girl and a boy. Mirah works as a dispatcher for the Irving Police Department and earns $45,500 per year. The couple also own a small shoe repair business located in the Irving Mall, which Jahan operates. Prior to the COVID-19 pandemic, Jahan was able to take an annual owner draw of $23,450 from the business. However, their business was negatively-impacted by pandemic-related closures and experienced a drastic decline in the volume of customers needing repairs to dress shoes. Jahan and Mirah used their $20,000 in savings to keep the business running during 2020. They currently live in a 2-bedroom rental housing unit in an aging 1960’s era apartment complex where the children share the same room and there is no playground or green space where the children can play. They hope to qualify for the Irving Down Payment Assistance Program to help them achieve their goal of homeownership.
**Renter Example:** Assume that a single person would like to rent a housing unit in Irving. He earns an annual income of $54,700. To determine his maximum monthly rental payment, we simply divide the annual affordable housing payment ($16,410) by 12 to determine the monthly affordable housing payment ($1,368). The monthly affordable housing payment equals the maximum monthly rental payment.

<table>
<thead>
<tr>
<th>Household Budget</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Housing &amp; related expenses (rent and renter’s insurance)</td>
<td>$16,410</td>
</tr>
<tr>
<td>20% Transportation, groceries, utilities</td>
<td>$10,940</td>
</tr>
<tr>
<td>20% Savings, retirement, and consumer debt payments</td>
<td>$10,940</td>
</tr>
<tr>
<td>30% Personal entertainment, cell phone, cable, gym membership, eating out, leisure travel</td>
<td>$16,410</td>
</tr>
<tr>
<td>100%</td>
<td><strong>$54,700</strong></td>
</tr>
</tbody>
</table>

**The Story Behind the Numbers** – Jaime grew up in Irving and recently graduated from Dallas Baptist University’s College of Education and is certified to teach grades 4-8. He will be starting his first year of teaching at Thomas Haley Elementary School and will earn a starting salary of $54,700. He lived with his parents to save money during college, but still has $100,000 in student loans that must be repaid. His monthly student loan payment is $1,044. Because his mother recently lost her job working at the Irving Convention Center, he expects that he'll need to contribute at least $750 each month to his family’s expenses. Jaime is trying to find a one-bedroom rental unit near the elementary school that leases for less than $1,100, but he will pay up to $1,300. Jaime would love to live in an Accessory Dwelling Unit or a cottage home where he can have his own space but still feel part of a community.
FUNDAMENTAL CONCEPTS

Why Public Subsidy is Needed to Increase Opportunities for Homeownership ("For-Sale Units")

When developing for-sale units, the economics of a project are driven by three key numbers:

- the total cost of development, including the costs of selling the unit and a reasonable return to the developer;
- the purchasing power of the buyer (that is, the amount of mortgage the buyer can afford); and
- the market value of the home (which should be the same as the sales price).

When the cost of development exceeds either the value of the completed unit or the purchasing power of the target buyers, some form of public subsidy will be needed to bridge the gap to make the project feasible.

Two Types of Subsidy Used to Incentivize the Development of For-Sale Housing Units: Development Subsidy and Homebuyer Subsidy

Development subsidy is needed to bridge the gap between the total development cost of the for-sale home project and its market value. For example, if the total development cost of a for-sale unit is $200,000, but the market value of that unit is only $160,000, then some form or combination of subsidies will be needed to cover the $40,000 difference. Otherwise the project is not viable because a developer will not build a housing unit that would sell for less than it costs to build. Based on the market conditions in Irving, this is less likely to occur given that the real estate market is strong and the cost to build is still reasonably lower than sales prices.

Homebuyer subsidy is likely to be needed to ensure that units are affordable, especially in the current environment where market values of homes are rising exponentially. This form of subsidy is used to bridge the gap between the market value of the home and the purchasing power of the buyer (including assistance with buyer closing costs). When a project is being built exclusively to sell in an income-restricted manner, the needed homebuyer subsidy is usually “pre-funded” into the project during development. That is, the public funder will invest its funds during the development phase (thereby reducing the need for interest-bearing construction lending) and allow that portion of the public investment to be “assumed by” or “transferred to” the buyer at closing.
FUNDAMENTAL CONCEPTS

Where a public funder has not been involved in the financing of a for-sale development, homebuyer subsidy takes the form of a soft second mortgage that allows a homebuyer to identify an available home on the open market, qualify for a first mortgage, and then seek additional financing from the public funder to fund the gap between the homebuyer’s borrowing capacity and the sales price of the home.

Why Public Subsidy is Needed to Increase Access to High Quality Rental Housing

When developing rental units, the economics of a project are driven by four key numbers

- the total cost of development;
- the net operating income of the property (that is: gross rents, less vacancy factor, less operating expenses, less reserves);
- the debt attracted to the property by the net operating income as a % of the Fair Market Value (FMV) of that income stream and as a debt coverage ratio; and
- the equity attracted.

When the cost of development exceeds the amount of debt and equity attracted due to the economics of the development, some form of public subsidy will be needed to bridge the gap to make the project feasible.

Two Types of Subsidy Used to Incentivize the Development or Rehabilitation of Rental Housing Units: Development and Operating/Renter

Development subsidy is needed to bridge the gap between the total development cost of the project and its market value. In a strong rental market like Irving, providing rent restricted units reduces the net operating income of the property, which in turn reduces the debt and equity attracted to the project. This is how rent restrictions create a gap in development financing.

Operating/Renter subsidy is likely to be needed to ensure that units remain affordable to the intended low- and moderate-income renters for a specified period of time. A common form of renter subsidy is a Housing Choice voucher, but subsidies can be provided in other forms of operating support depending on funding source.
Traditional Neighborhood Developments
Because Irving is land-locked with limited remaining developable sites, it is imperative that the city negotiate mixed-use, mixed-income development opportunities that expand the housing supply and increase the diversity of available housing types.

Traditional Neighborhood Developments include a variety of housing types, a mixture of land uses, an active center, a walkable design and often a transit option within a compact neighborhood-scale area. TNDs can be developed either as infill in an existing developed area or as a new large-scale project. To qualify as a TND, a project should include a range of housing types, a network of well-connected streets and a variety of public spaces. It should have amenities such as stores, schools and places of worship within walking distance of residences. The TND concept applies only at the scale of the neighborhood or town, and should not be confused with New Urbanism, which encompasses all scales of planning and development, from the individual building to an entire region. TND projects incorporate many different architectural styles and are not exclusively traditional in aesthetic.

TNDs offer long-term sustainability benefits to communities, especially those like Irving that are land-locked and must maximize the existing street network, minimize public subsidies and optimize the use of scarce resources. By diversifying its housing product, the city can encourage economic diversity and vitality. Encouraging clustering and development into areas that can best accommodate it can insure that municipal services and facilities are adequate and meet public needs while minimizing infrastructure costs. A community that is distinguishable between the urban and suburban has tremendous market appeal and the result is often an economic expansion that offers job creation and stability that is less susceptible to unpredictable market trends. Furthermore, TNDs are likely to become increasingly sought-after neighborhoods as work-from-home and flexible work schedules have become a proven option for many workers after the COVID-19 pandemic.

A link to successful examples throughout the country and Texas can be found at http://www.tndtownpaper.com/neighborhoods.htm, which includes a focus on Addison, Texas, where Addison Circle has served as a model for infill development that meets all TND principles of excellence including a mix of housing options at all price-points.
Relevant Data
Numerous factors affect the availability and cost of housing in Irving along with an individual's or family's personal ability to afford housing.

These factors include:
- Population changes (both in-migration and out-migration)
- Supply of housing and age of the housing stock
- Diversity of housing types
- City regulations related to housing development
- Number and types of jobs and the wages paid
- Property tax rates

The following paragraphs summarize U.S. Census 2015-2019 American Community Survey (ACS) data unless otherwise noted.

Population Growth - From 2000 to 2015-2019, Irving's total population grew from 182,543 to 239,783, which was an increase of over 31%. This percentage of population change was nearly double that of Dallas County as a whole, which experienced slightly more than a 17% population increase over the same time period.

Demographics - Irving is one of the most racially- and ethnically-diverse cities in the nation, with nearly 20% of the population identifying as Asian, 42% identifying as Hispanic and 14% identifying as African American. Furthermore, Irving is a young city, with 35% of the population being under the age of 18, and less than 8% of the population being over the age of 65. Approximately 15% of Irving households with children are headed by a single adult wage-earner.

Incomes - The median household income in Irving is $64,868, which is slightly higher than the State of Texas's median household income of $61,874. However, nearly 40% of households in Irving earn less than $50,000 per year and slightly less than 13% of households earn more than $150,000 per year.

Housing Stock and Vacancy - The city's housing stock is concentrated in single family detached homes (37.86%) and housing units in small apartment buildings (42.74%). An additional 12.56% of housing units are located in larger apartment buildings, for a total of 55.3% of the housing stock concentrated in apartment buildings.
According to PolicyMap, very few (6.67%) of the City’s housing units are vacant and only a small percent of units are trending towards vacancy (0.64% of residential addresses had not collected mail within the past 90 days during the 3rd quarter of 2020). Nearly one quarter of Irving's housing stock was built before 1969 and over 60% of the housing stock was built before 1990. The vast majority of housing units have 1-3 bedrooms (84.9%), with only 12.6% of the housing units having 4 or more bedrooms.

Employment - According to the U.S. Bureau of Labor Statistics (BLS), Irving's unemployment rate has doubled during the COVID-19 pandemic, rising from a pre-pandemic low of 2.8% in December 2019 to a March 2021 rate of 6.6%.

Property Tax Rates and Exemptions - Irving’s property tax rate of $0.5941 per $100 of assessed valuation is significantly lower than the City of Dallas's rate ($0.776300) and comparable to nearby cities and towns such as Addison ($0.608676), Carrollton ($0.587500), and Farmer's Branch ($0.589000). However, Irving's Age 65 or older exemption ($45,000) and Disabled Person exemption ($45,000) are lower than nearby cities and towns, such as Dallas ($100,000 and $100,000), Addison ($50,000 and $60,000), Carrollton ($60,000 and $60,000), and Farmer's Branch ($65,000 and $60,000).

Home Sales Prices - Irving is currently experiencing strong price appreciation in its single-family home market, with median sales prices rising from $264,900 in March 2017 to $326,000 in March 2021, according to data provided by the Metrotex Association of Realtors. The most recent market data reveals that there is only one month of for-sale inventory.
**RELEVANT DATA**

**Rents** - Irving's median gross rent of $1,146 is comparable to nearby cities, nevertheless, approximately 38% of Irving renters are housing cost-burdened, meaning they spend 30% or more of their income on rent.

The table below depicts the geographies in Irving where significant percentages of renters are housing cost-burdened.

---

**Home Value Appreciation** – According to data published by the National Association of Realtors, a household that purchased a home in the DFW region nine years ago would have experienced an average total equity gain of $175,507, and a household that purchased a home in the DFW region 3 years ago would have experienced an average housing equity gain of $63,277, taking into account home appreciation and principal payments on a mortgage.
Access to Home Purchase Loans - Home Mortgage Disclosure Act (HMDA) data aggregated by PolicyMap reveals that low- and moderate-income households are not able to purchase homes in Irving at rates comparable to their higher-income counterparts. For example, in 2019 only “6.6% of loans in [Irving] were for borrowers whose income was less than 50% of the Metropolitan Statistical Area's (MSA) Median Family Income in 2019 (<$41,550 for a family of four), and 19.03% were for borrowers with incomes between 50% and 80% of MSA income ($41,550 - $66,480).”

The map below shows geographies where moderate-income homebuyers would most likely be able to purchase a home in Irving.
Market Value Analysis (MVA)

In 2019, Irving engaged the Reinvestment Fund, a national non-profit organization, to conduct a Market Value Analysis (MVA). The purpose of the MVA was to evaluate all of the residential real estate throughout Irving in order to identify opportunities to preserve existing affordable housing and develop new units of affordable housing throughout the city.

The Reinvestment Fund completed the Irving MVA in October 2019 after working with local experts who comprised the MVA steering committee. The MVA is available on the city’s planning website: [https://www.arcgis.com/apps/webappviewer/index.html?id=d1a50e75682b480280f79686ecbd6ae4](https://www.arcgis.com/apps/webappviewer/index.html?id=d1a50e75682b480280f79686ecbd6ae4) (select the “Market Value Analysis” layer.)

By using Census block groups as the unit of analysis, the MVA offers insight into the variation in market strength and weakness within and between traditional Irving neighborhood boundaries. The Irving MVA identified seven distinct residential real estate market types (A-G) based on factors including median housing unit market value, percentage of owner-occupied and multifamily housing units, and prevalence of code violations. Identifying where market types meet on the MVA map provides insight into the potential for and direction of market change, and ultimately, the suitability of different types of investment or intervention strategies.

The Market Value Analysis (MVA) is a tool to help residents and policymakers identify and understand the elements of their local real estate markets. It is an objective, data-driven, tool built on local administrative data and validated with local experts.

As stated by the Reinvestment Fund, the MVA’s application to policy decisions rests on five assumptions:
1. Scarce public subsidies alone cannot create a market where none exists;
2. Public subsidy must leverage or clear the path for private investment;
3. In distressed markets, interventions should be designed to build from local nodes of strength, (i.e., transportation hubs, parks, public amenities, and anchor institutions);
4. Decisions about places must be informed by good data and objective, rigorous analysis; and
5. All city residents are consumers who expect quality services.
### RELEVANT DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A (21)</td>
<td>$412,000</td>
<td>0.34</td>
<td>62%</td>
<td>9.9%</td>
<td>25.9%</td>
<td>&gt;1%</td>
<td>&gt;1%</td>
<td>0.1%</td>
<td>29%</td>
</tr>
<tr>
<td>B (22)</td>
<td>$203,000</td>
<td>0.38</td>
<td>35%</td>
<td>1.0%</td>
<td>10.8%</td>
<td>1%</td>
<td>&gt;1%</td>
<td>0.4%</td>
<td>55%</td>
</tr>
<tr>
<td>C (6)</td>
<td>$203,000</td>
<td>0.37</td>
<td>4%</td>
<td>23.2%</td>
<td>4.9%</td>
<td>&gt;1%</td>
<td>1%</td>
<td>0.1%</td>
<td>95%</td>
</tr>
<tr>
<td>D (43)</td>
<td>$148,000</td>
<td>0.43</td>
<td>77%</td>
<td>0.4%</td>
<td>19.8%</td>
<td>&gt;1%</td>
<td>2%</td>
<td>0.5%</td>
<td>4%</td>
</tr>
<tr>
<td>E (32)</td>
<td>$151,000</td>
<td>0.26</td>
<td>3%</td>
<td>0.5%</td>
<td>2.6%</td>
<td>1%</td>
<td>1%</td>
<td>0.9%</td>
<td>93%</td>
</tr>
<tr>
<td>F (8)</td>
<td>$139,000</td>
<td>0.44</td>
<td>30%</td>
<td>0.2%</td>
<td>7.6%</td>
<td>40%</td>
<td>1%</td>
<td>0.6%</td>
<td>60%</td>
</tr>
<tr>
<td>G (32)</td>
<td>$126,000</td>
<td>0.53</td>
<td>39%</td>
<td>0.6%</td>
<td>10.3%</td>
<td>1%</td>
<td>2%</td>
<td>0.7%</td>
<td>45%</td>
</tr>
<tr>
<td>Avg. Irving Block Group</td>
<td>$187,000</td>
<td>0.40</td>
<td>43%</td>
<td>2.6%</td>
<td>13.1%</td>
<td>3%</td>
<td>1%</td>
<td>0.5%</td>
<td>45%</td>
</tr>
</tbody>
</table>

**A Markets:** Have the highest median market values, high owner occupancy, a high percentage of new construction and the lowest rates of housing distress (e.g., code violations, vacancy, and foreclosure). Percentage of total city population = ~16% of residents.

**B & C Markets:** Have median market values above the city average and low rates of housing distress. B markets have a mix of single family and multifamily homes while C markets are multifamily areas with a high amount of new construction activity. Percentage of total city population = ~18% of residents.

**D & E Markets:** Have median market values that are slightly below the city average, low rates of new construction, and levels of housing distress that are comparable to the city average. D markets are primarily owner-occupied and have the highest share of reinvestment in existing properties, while E markets are primarily renter occupied. Percentage of total city population = ~41% of residents.

**F & G Markets:** Have the lowest median market values in the city and low rates of new construction. F markets have high rates of rental subsidy and G markets have the highest variation in sales prices in the city. Percentage of total city population = ~25% of residents.
Using the Market Value Analysis (MVA) to Guide Public Investment

Below are three examples of how the MVA can be used to guide a city's housing investments in specific geographies.

*Strong market area surrounded by other strong and middle markets* – In this type of location, private capital is already being invested in the market, there are usually high rates of homeownership, and property owners (owners and landlords) are incentivized to maintain their homes. Therefore, the City should focus on developing housing for lower-income households who otherwise would not be able to access housing in the location to encourage a mix of incomes and actively preserve any existing affordable housing units. Additionally, building long-term affordability into future project design is advisable.

*Distressed or middle market area surrounded by strong market areas* – Where a redevelopment opportunity arises in this type of location, it is likely that private investment will flow into the weak market with minimal City intervention. In fact, mere publicity about City plans for redevelopment could spur investor activity. Therefore, it is important for the redevelopment efforts to focus on preserving affordable housing in the location so as to maintain the value of the existing housing units and prevent the displacement of existing homeowners and renters.

*Distressed market area surrounded by other distressed market areas* – Redevelopment activities in weak markets require very strategic and coordinated public investments that build from local nodes of strength, such as public transportation hubs or parks. The City should seek to determine why private investment has not occurred at and near the location, including reviewing the quality of the public infrastructure and examining the type of existing commercial activity, including industries that generate significant noise. Strategies to invest in infrastructure and remedy any noise concerns must be developed alongside any housing plans. Broader and coordinated City investments will help negate private investor and lender perceptions about the weakness in the market. In this location, the City should focus on creating truly mixed-income housing opportunities.
March 2021 Housing Plan Survey Overview
The survey results generally show strong support for expanding affordable single-family homes in traditional neighborhoods, while also showing interest for expanded options for senior living and smaller homes. There is an emphasis throughout the comments on focusing on South Irving to improve existing commercial services and housing. There is another noticeable survey trend where respondents were not supportive of incentives for developers and not in support of using local dollars to pay for affordable housing.

The City of Irving Housing Plan Survey was shared with Irving residents in order to obtain their feedback regarding priorities and approaches the City of Irving could use to preserve existing affordable housing units and to produce additional units. The survey format consisted of 12 multiple choice questions, each with additional comment sections, and one last free response question for general comments about housing affordability.

There were 290 respondents to the City of Irving Housing Plan Survey. (Questions 1-4)
- About 95% of the survey respondents live in the City of Irving.
- A little more than 25% of respondents work in the City of Irving.
- Over 70% of respondents own their home, while about 27% are renters.
- Over 50% of respondents have only 1 or 2 people living in their home.
- Almost 60% of respondents are spending less than 30% of their monthly income on housing expenses, while almost 35% are spending more than that.

These survey demographics indicate that the majority of respondents are homeowners that are either single, married without children, single with a child, or empty nesters living comfortably without spending more than 30% of their income on housing expenses. It is important to note that these demographics do not correlate with the overall City of Irving demographics which include a 36.8% homeownership rate according to the U.S. Census. This means that the survey potentially did not reach a large percentage of residents who are low-to-median income renters and who may not be actively engaged in city affairs.
COMMUNITY INPUT

Single-family housing and suburban-style neighborhoods are the most preferred by survey respondents. (Questions 5-6)

- Almost 80% of respondents prefer single-family housing developed in the City of Irving, followed by Townhomes and Mixed-Use (retail and housing) developments.
- Apartment homes were the least desired by respondents at 13.79%.
- Suburban-style single-family home developments are the most desired by respondents for neighborhood development at 72.38%.

The overwhelming response points to a strong desire by respondents for more single-family homes in the City of Irving. Specifically, the comments for these two questions repeatedly ask for smaller single-family homes at affordable pricing, as opposed to homes with larger square footage. Additionally, smaller senior living options were repeatedly mentioned in the comments as something that is lacking. There also seems to be a strong lean towards more traditional neighborhoods, and a call for tiny home communities.

Most respondents agree that finding affordable housing in the City of Irving is a problem but have varying views on which type of housing should be developed. (Questions 7-9)

- Almost 75% of respondents strongly agree or agree that finding affordable housing is a problem in the City of Irving.
- There is strong support for developing affordable housing for families with school-aged children, seniors/empty-nesters, working class households, and persons with disabilities.
- There is mixed support for larger/multi-generational families, persons with housing vouchers and persons transitioning out of homelessness.
- There is strong support for building affordable housing (of various types) near amenities such as grocery stores/libraries/recreation centers, high performing schools, and high-frequency public transportation.
- There is mixed support for building affordable housing near neighborhood commercial centers or employment centers.

There is a consensus among respondents that affordable housing is lacking in the City of Irving and that it should be built near amenities, good schools and public transportation. The style of affordable housing that should be built has more mixed responses, but a focus on families and single-family housing is consistent. There is a noticeable emphasis on expanding affordable housing in the southern part of Irving, while others feel the city should not be subsidizing housing.
COMMUNITY INPUT

Respondents show strong support for financial assistance from the city to owners of aging apartment buildings for repairs, for an improved permitting process for developers, and for federal funding to expand affordable housing options. (Questions 10-12)

- There is strong support for the City of Irving to provide financial assistance to encourage owners of aging apartment complexes as well as single-family landlords to make repairs to their properties to address code compliance and/or weatherization issues.
- There is not strong support for allowing a developer to bypass zoning restrictions in order to expand housing units, giving property tax abatements, selling or leasing public land at below-market prices, or providing gap financing.
- Almost 80% of respondents think that the City of Irving should help fund the development and preservation of affordable housing with federal funding (CDBG, HOME, ESG).

There is a strong consensus among respondents that there are enough multifamily units in the City of Irving and they would like to see the city stay away from developing more multifamily buildings that are not high quality. There is also a noticeable ask for code enforcement to ensure residences are well-maintained. There is not strong support for giving developers leniency on zoning ordinances, giving them property tax abatements, selling public land at below-market prices, or providing gap financing. There is also strong support for federal financing for building affordable housing, but not for using Tax Increment Financing, bonds, or city funds.
PRESERVATION

1) Create a Multifamily Rental Rehabilitation Loan Program to provide low-cost rehabilitation loans to incentivize owners of aging apartment communities to invest in health- and safety-related renovations while also maintaining the affordability of the housing units.

Distressed multifamily properties are prime targets for investors who specialize in the acquisition, rehabilitation and resale of the property – with substantially higher rents after rehabilitation is complete. Typical investment targets include aging apartment complexes with deferred maintenance issues that are located in neighborhoods that are undergoing changes in demographics and incomes. The investor will acquire the property, bring in new property management, evict any tenants who are in violation of their lease terms, make repairs to the property to address the deferred maintenance issues, and make reasonable upgrades to the property (such as improved amenities or higher-end countertops) sufficient to justify higher rents.

Irving has a strong interest in preserving affordability of existing units since the financial subsidy and amount of time required to support substantial rehabilitation of an existing property can be much lower than the financial subsidy and time required to support the construction of new housing units.

Irving should capitalize on its status as a national leader in code enforcement and use the significant data that it collects through its risk-based inspection program to examine the existing capital needs of aging multi-family communities. Irving should leverage this data to identify properties in MVA Middle Market areas that are most in need of substantial rehabilitation and focus its marketing of the rehabilitation loan program on these properties, since these properties are likely leasing the units at rents that are affordable for low- and moderate-income households due to the age and condition of the property.

2) Create a Single-Family Rental Rehabilitation Loan Program to provide low-cost rehabilitation loans to incentivize single-family landlords to invest in health- and safety-related renovations while also maintaining the affordability of the housing units.

Respondents to the March 2021 Housing Plan Survey expressed strong support for creating a program that incentivizes single family landlords to repair their rental properties.
Operating such a program at a citywide scale would require significant upfront investment from Irving in data-collection, since Irving does not currently require single family landlords to register their properties with the City. Therefore, we recommend that this program initially be targeted in MVA Middle Market areas where single-family homeownership is lower than in most other market typologies. Spurring single family landlords to invest in their properties will help strengthen these middle market areas, while simultaneously improving the living conditions for occupants of single-family rental properties.

3) Continue to operate and fund the existing Home Rehabilitation Program to help low- and moderate-income homeowners make necessary repairs to their homes.

The City currently operates a home repair program for low- and moderate-income homeowners who lack the funding to make health- and safety-related repairs to their homes. This program assists approximately ten homeowners per year.

However, the need for such repairs is much greater. Nearly one quarter of Irving’s housing stock was built before 1969 and over 60% of the housing stock was built before 1990. And in many of the neighborhoods with high percentages of homes built before 1970, a significant percentage of the homeowners are already housing cost-burdened, meaning that they spend 30% or more of their incomes on housing costs. Such homeowners are at high risk of being involuntarily displaced from their homes, either due to foreclosure (including property tax foreclosure) or because the condition of the home makes it unlivable. Furthermore, in neighborhoods that are experiencing investment activity, such cost-burdened homeowners may be pressured to sell their homes at a reduced price to an investor who convinces the homeowner that it is better to sell than to remain in the aging home.

Due to the high need but limited funding for this program, we recommend that the home repair program target low- and moderate-income homeowners living in MVA Middle Market areas in order to serve homeowners that are experiencing property tax increases and pressure to sell their homes to outside investors.
4) Create a Neighborhood Empowerment Zone (NEZ) program that provides incentives to low- and moderate-income homeowners who repair their homes.

Neighborhood Empowerment Zones are authorized by Texas Local Government Code Chapter 378 so long as a municipality determines that creation of the zone would promote: (1) the creation of affordable housing, including manufactured housing, in the zone; (2) an increase in economic development in the zone; (3) an increase in the quality of social services, education, or public safety provided to residents of the zone; or (4) the rehabilitation of affordable housing in the zone. Within the zone, a municipality may engage in activities that promote one or more of the four goals, including waiving construction-related fees and providing municipal tax abatements.

Much like the home repair program, a well-designed NEZ program could serve the dual purpose of stabilizing neighborhoods with a high percentage of pre-1970 homes by encouraging homeowners to make necessary repairs to their aging homes while also preventing those homeowners from being displaced from their homes. Such a program could align geographically with the home repair program by focusing on MVA Middle Market areas.

5) Apply for additional Housing and Urban Development (HUD) Section 108 financing to support the Multifamily Rental Rehabilitation Loan Program.

The City should seek approval from HUD to amend its existing Section 108 loan agreement to borrow an additional $5,000,000 to be used for the proposed Multifamily Rental Rehabilitation Loan Program.

In April 2019, HUD committed $3,359,000 to Irving through a Section 108 loan agreement to support the expansion of the Georgia Farrow Recreation Center. Each year, Irving uses a portion of its annual CDBG grant to pay the principal and interest on the loan. However, Irving has the capacity to borrow additional funds from HUD to support CDBG-eligible housing activities.

HUD regularly calculates an entitlement jurisdiction’s maximum Section 108 borrowing capacity by multiplying its current year CDBG grant award by five and then subtracting any outstanding Section 108 guaranteed loans and commitments.
Irving's current maximum borrowing capacity is $8,380,850. It is not advisable that a city borrow the full amount for which it is eligible, since the program requires the city to pledge future CDBG allocations toward repayment of the loan, along with providing other collateral to secure repayment. If Irving were to borrow $5,000,000, this amount represents 60% of the City's maximum borrowing capacity.

We recommend that Irving use these additional funds to provide low-cost rehabilitation loans to private owners of multifamily rental housing units that Irving has identified as dilapidated and in need of repair. Through this program, Irving would re-lend its Section 108 loan proceeds at an interest rate that allows it to cover the cost of funds from HUD. In a low-interest rate environment, the interest rate offered to the property owner may be similar to what the owner could obtain from a private bank; however, the City's program would offer the added benefit of being a specialized loan product with a streamlined approval process and with local servicing.

6) Support the development of Accessory Dwelling Units by partnering with a local lender, such as a Community Development Finance Institution (CDFI), to create an ADU loan product targeted at low- and moderate-homeowners.

Currently, it is nearly impossible for a homeowner to obtain sufficient low-cost capital for purposes of constructing an accessory dwelling unit, especially those owners who are struggling to keep or maintain their homes. While ADUs are usually significantly smaller in size than the primary dwelling unit with which they are associated, the costs of construction can still be quite high, since ADUs include the most expensive rooms in a home – namely, the kitchen and bathroom. None of the government-sponsored enterprises (GSEs), including Fannie Mae and Freddie Mac, offer renovation loan products or ADU-specific loan products that meet the needs of owners seeking to finance the majority of the construction costs of an ADU. Issues such as low loan-to-value ratios and debt-to-income ratios that don’t take into account the homeowner’s rental income after construction limit the amount of financing that an owner can obtain. However, CDFIs have more flexibility to create loan products that account for the realities of ADU construction. The City should request proposals from local CDFIs or other capable lenders to create and administer a revolving loan program in which the City makes an initial capital investment.
While housing supply – and therefore, housing affordability – is impacted by factors such as rising construction costs and unavailability of developable land, local regulations can also stymie the development of a diverse range of housing types. Factors such as minimum parking requirements, minimum lots sizes, and limitations relating to the number of dwelling units that can be built on a residential lot can also limit the supply and type of housing that is developed in a city.

Irving residents who responded to the March 2021 Housing Plan Survey, along with those residents who participated in the development of the 2017 Imagine Irving Comprehensive Plan, voiced many of the same opinions related to whether the City should encourage the development of a range of housing types. Specifically, residents indicated that they want Irving to create opportunities for the development of homes with smaller total square footage and in closer proximity to other dwelling units, including tiny homes and cottage homes.

Therefore, several of the following recommendations related to municipal zoning and building codes focus on regulatory changes that would open up opportunities for the development of smaller homes on smaller lots. While seeking approval from the City Council to allow for the development of housing types such as cottage homes and accessory dwelling units, City staff should identify opportunities for the City to pilot the development of such homes, so that residents, home builders and construction lenders can gauge the demand for these housing types. Parcels of city-owned land could be optimal places for construction of smaller homes.

The Imagine Irving Comprehensive Plan recognizes that “the zoning code is the implementation tool behind many of the plan’s recommendations and guidelines” and that a modern zoning code “helps a developer understand community priorities for a particular location and how to build successfully there.”
Alignment with Production, Preservation and Economic Mobility Goals

When evaluating whether to provide incentives to specific housing development projects, Irving should have a clear understanding of its progress towards meeting its annual housing production, preservation and economic mobility goals. Since housing development is a multi-year process, Irving must ensure that it is tracking projects that are in the early, middle and final stages of development. By examining the type and geographic location of all projects in the pipeline, Irving can then determine how a proposed housing project helps the City achieve its housing production, preservation and economic mobility goals. For example, if Irving is on track to achieve its goals of producing Workforce rental housing units, but has not produced Affordable rental housing units, the City should structure its incentive package and funding in a way that supports the production of Affordable rental housing units.

1) Proactively identify development opportunities for CHDOs in order to build the capacity of community developers and effectively maximize the use of restricted federal dollars.

The City, as a recipient of federal HOME funding, has a financial incentive to support housing activities by Community Development Housing Organizations (CHDOs), since fifteen percent of the City’s annual allocation of funding must be reserved for expenditure on CHDO activities.

Furthermore, CHDOs are a key component of the housing production and preservation ecosystem, since they are community-based, non-profit organizations that have a mission and capacity to develop affordable housing within the specific community or community that they have chosen to serve. Therefore, the City should take into account the capacity and geographic focus of its existing CHDOs when reviewing any development or preservation opportunities.

2) Develop objective evaluation criteria for providing support to Housing Tax Credit proposals to encourage the development of affordable housing units in MVA Strong and Middle Market areas with numerous amenities.

In Texas, a housing developer seeking to obtain the highly-competitive state allocation of 9% Housing Tax Credits must obtain a Resolution of Support from the governing body of the city in which the proposed housing project will be located. The tax credits are a significant source of equity for housing developments that agree to reserve a large percentage of their units for extremely low-, low- and moderate-income individuals and families.
Currently, Irving does not publish evaluation criteria to guide developers in their site-selection and income-targeting for potential housing tax credit projects. Guided by the MVA, Irving should develop guidelines that encourage projects in strong and middle markets, where there is not already an oversaturation of subsidized units.

3) Create a new base zoning district or an overlay district that allows for more than one single family detached dwelling unit to be constructed on a parcel of land in order to authorize the development of ADUs, cottage homes and other small housing types. Currently, the City’s Unified Development Code does not allow more than one single family detached dwelling unit to be constructed on a parcel of land. While homeowners are allowed to construct an accessory building on their lot, such as a storage shed, homeowners are not allowed to construct a small, rear residential unit that has separate utilities and that will be occupied as a separate residence. In order to allow for the development of smaller housing types, the city should amend the ordinance as necessary and rezone areas to a new base zoning district that allows for smaller lots (e.g. cottage homes). The construction of a new single-family detached dwelling unit on a lot where a single-family home currently exists (e.g. an accessory dwelling unit or ADU) could be accomplished through amendments to existing districts or creation of an overlay to allow the use.

Furthermore, in order to facilitate development in this new base zoning district, the City’s subdivision regulations will also need to be reexamined as they relate to single family uses. Section 5.3.5 of the Unified Development Code (Single-Family Residential Lot Size Compatibility) limits platting into smaller lots that meet the underlying zoning but are less than eighty (80) percent of the area of adjacent developed tracts or lots. If exceptions are not built into this requirement, it will require a developer seeking to build smaller homes in the new zoning district to seek a variance each time they propose to subdivide a lot.

Allowing for smaller housing types is one means of addressing Irving’s lack of diversity in its housing stock, which is currently concentrated in single-family detached homes and apartment complexes. Smaller homes also tend to sell at lower price points when compared to traditional single family detached homes, since the smaller homes consume less land and the home contains less square footage.
This lower sales price creates an opportunity for homeownership for individuals and households who cannot qualify for a mortgage on a larger home.

Similarly, in the case of ADUs, providing an opportunity for an income-producing unit for a homeowner creates built-in long-term affordability and restores multi-generational neighborhoods. Often, young professionals do not return to their neighborhoods after college because of the lack of housing choices in those neighborhoods that meet their lifestyle and budgets. By incorporating the use of ADUs, Irving could increase the likelihood that neighborhoods maintain the Traditional Neighborhood Development (TND) characteristics.

Furthermore, creating a regulatory environment that allows for the development of a broad range of housing types – townhomes, duplexes, cottage homes and accessory dwelling units – also creates a competitive advantage for Irving when compared to nearby cities that also currently lack a diversity of housing types.

Regarding this recommendation, we encourage the City to engage residents in the process of examining existing land uses in their neighborhoods as well as propose desired uses. For some neighborhoods experiencing overcrowding, residents may strongly favor being granted the opportunity to build another dwelling unit onsite. Likewise, homeowners who are facing increasingly burdensome property tax bills may embrace the chance to build a small income-producing rental unit on their property. However, planning efforts should also include an analysis of whether allowing additional dwelling units on a lot will increase residential parking demand, and, if so, whether the demand could be regulated through residential parking permits, shared parking, or other measures.

4) Adopt Appendix Q to the 2021 International Residential Code to allow for the development of tiny houses.

The City has currently adopted the 2016 International Residential Code (IRC) and is in the process of adopting the 2021 International Residential Code. We recommend that the City adopt Appendix Q, which relaxes certain requirements in the IRC for homes 400 square feet or less, i.e. “tiny houses” along with additional ordinance amendments.
The City could choose to adopt Appendix Q with amendments to clarify, for example, that all tiny houses must be installed on a permanent foundation. By adopting Appendix Q, the City will remove one of the existing barriers to the development of tiny homes, including smaller accessory dwelling units. Furthermore, adopting an International Code, rather than crafting a city-specific code, will allow the City to attract experienced builders who have successfully developed a similar product in other jurisdictions that have adopted Appendix Q, rather that forcing builders to choose between experimenting with a customized new local code or building in competing cities where they already know the rules to building a successful product.

5) Explore the viability of creating Density Bonus and Community Land Trust Programs to provide affordability in areas that are the focus of City-led redevelopment efforts.

Affordability in Market Rate Residential Developments – Irving currently employs a Planned Unit Development zoning process “to accommodate planned association of uses developed as integral land use units” in developments of at least 30 acres. City staff review proposed development plans and make recommendations that, among other things, ensure that the development aligns with overall community growth and planning goals.

Under a Density Bonus Program, a developer seeking to add residential density within a proposed PUD could offer to reserve a portion of their residential units that would be leased at restricted rents or, in the case of condominiums, sold to households with specific incomes. Such a program will add affordable housing units in otherwise market rate developments.

Prior to enacting such a program, the City should engage its residents and development community, since the design of the program must take into account the value provided to the developer of the added density along with the added operational costs related to compliance with an affordable housing program. Limiting the program initially to PUDs helps address community concerns about increased density, since the program would not operate throughout the City.
Long-term affordability - Most federally supported housing programs either require or incentivize an affordability period (i.e. the length of time for which the housing unit must be reserved exclusively for occupancy by a low- or moderate-income households) of somewhere between 5-30 years.

However, in some instances, it may be feasible to create long-term (99+ years) affordability through, for example, the use of a community land trust structure.

In a Community Land Trust structure, a non-profit entity purchases one or more parcels of land and retains ownership of the land in perpetuity. Thereafter, the CLT sells or leases the buildings on the land to homebuyers or renters. This structure lowers a household's housing costs, since the household is not paying for the underlying land. Furthermore, since nearly all CLTs restrict the resale prices of homes to protect future affordability, tax assessors usually take this income-restriction into account when assessing the value of the land and structure for property tax purposes, thereby leading to a lower property tax burden for the CLT and homeowner.

Seizing opportunities to create long-term affordability is especially important during the early stages of a large city redevelopment effort because the city may have opportunities to acquire and control low-cost land before its redevelopment efforts spur private investment and sustained growth in land values. Attempting to create affordability in a strong real estate market requires a much higher amount of public investment due to higher land and homes values.

6) Create a streamlined, online incentive application process for housing developers that helps the city match available incentives with eligible projects and decreases the burdens of applying for city housing incentives. As the city ramps up its housing activities, it will be important for the City to develop an efficient process by which builders, developers, property owners, and individual households can apply for City incentives and financial assistance. We recommend that the City procure an application software system that allows it to create a “universal” application portal that identifies the type of assistance that the applicant is seeking and requires the applicant to provide only the information that applies to the desired form of assistance. Numerous existing software companies offer software that can assist the City in achieving this goal.
Additionally, such platforms have robust program activity and performance reporting capabilities, which will allow staff to efficiently provide the Housing and Human Services board and Planning and Zoning Commission with metrics. However, it is important to note that the City should continue to offer opportunities – such as application workshops and regular office hours – where applicants can receive assistance with completing the online application.

7) Identify a funding source that will allow the city to provide gap financing for new housing development projects.
The City recently obtained voter approval of a bond package that included 12 separate propositions for the issuance of up to $563.4 million in bonds for capital improvement projects. However, housing was not included as a proposition. When developing its next bond proposition - which may be many years in the future - the City should consider seeking voter approval of a $10 million bond proposition to support the construction of high-quality housing units and the rehabilitation of existing multifamily units.

In the interim, Irving should explore using a portion of its $57 million in American Rescue Plan Act funds to support housing development and preservation efforts. Since the City will receive the second half of its funding next Spring, there is time to obtain community input regarding the use of the funds.
While development and preservation strategies focus on creating new housing units and maintaining existing housing units, economic mobility strategies are centered on helping individuals and households access market-rate housing that was built without financial subsidies. Approaches include providing down payment assistance and soft second mortgages to moderate-income individuals and households seeking to purchase market-rate homes, partnering with local employers to provide homebuyer and rental assistance to employees, and streamlining the search for affordable housing units via an online housing portal.

Economic mobility strategies focus on providing individuals and households access to opportunity, meaning that they are able to live in housing units that are close to amenities such as strong schools, transportation, grocery stores and personal services. As the map below demonstrates, a low-income worker earning less than $850/month in wages would have a difficult time finding an affordable rental unit in Irving. Moreover, the worker would have virtually no chance of finding a unit in one of Irving’s Strong or Middle Market areas, which are characterized as having the lower rates of housing distress (e.g. code violations, vacancy, and foreclosure). Areas with affordable rents are where the blue color and diagonal lines overlap.
Furthermore, while the map below shows that moderate-income homebuyers appear to have more opportunity to purchase pre-owned homes in MVA Middle Market areas, these opportunities are quickly diminishing as home values rise. Irving is currently experiencing strong price appreciation in its single-family home market, with median sales prices rising from $264,900 in March 2017 to $326,000 in March 2021, according to data provided by the MetroTex Association of Realtors.

Economic mobility strategies are needed to help close the gap between what a low- or moderate income individual or household can afford, and the prices offered in the market. Areas with affordable sale prices are where the blue color and diagonal lines overlap.
1) Raise the assistance limits in the Down Payment Assistance Program to address the increasing gap between moderate-income homeowners' borrowing capacity and the sales prices of homes.

The Homebuyer Down Payment Assistance (DPA) Program is an eligible form of financial assistance under the HOME program and cities can provide a grants, deferred or below-market rate loans, or loan guarantees to homebuyers. Irving offers assistance for the purchase of new and existing homes of up to $50,000 for new or existing home purchases. However, the program's funding amounts are undersized relative to the market prices for single family homes in Irving. The program subsidy levels should be set at the HUD maximum and sized to meet specific buyer needs. Additionally, the City should revise the policy requirement that eligible applicants' assets not exceed $10,000. This policy requirement is counterproductive since it is generally advisable that homeowners maintain some level of liquidity in order to undertake needed repairs and withstand emergencies (housing or job losses, for example). The City should consider raising this limit to at least $50,000.

2) Create an Employer Assisted Housing Program to leverage private incentives aimed to encourage employees to live in Irving.

The City should partner with the Irving Economic Development Partnership and the MetroTex Association of Realtors to recruit a coalition of local employers who commit to creating Employer Assisted Housing Programs. Irving’s local employers have a strong interest in ensuring that the City is a place where employees want to live and can afford to live.

We recommend that the IEDP convene a roundtable of local employers and realtors who agree to lead an effort to partner with the City to create more affordable housing opportunities in the City for their current and prospective employees. This IEDP-led roundtable should explore investing capital in a down payment revolving loan fund that is modeled after the City’s Down Payment Assistance Program and that could be administered by a local non-profit, such as a CHDO or CFDI, for purposes of providing down payment assistance for current and prospective employees of each participating organization. Investing in such a fund, rather than creating separate employer-administered programs, would allow participating employers to leverage the CHDO/CDFI’s expertise in administering such a program, including reviewing documentation of an employee’s income and underwriting an employee’s ability to pay back the loan.
The data and recommendations contained in this Housing Plan can be used to demonstrate to local employers that the City’s modified Down Payment Assistance Program is right-sized to the current real estate market and is likely to be highly utilized by eligible applicants.

3) Create a searchable inventory of affordable housing units along with a consolidated housing waitlist that makes it easier for individuals and families to locate and secure affordable housing units. Not only is it necessary to create efficiencies in the application process, but there are also several important reasons why the City should, at a minimum, create a searchable database of the affordable housing units that are created as a result of the City’s successful housing production efforts. A searchable database fosters equity in access to housing, since it allows households to easily identify available units without having to call or travel to individual properties to learn whether units are available. The City, either via staff or a vendor, could go even further and take on the responsibility of administering a housing waitlist, which would involve assessing the eligibility of households, including evaluating their income. Administering a waitlist provides significant benefit to housing developers and property managers who do not specialize in the development of affordable housing units and who may not employ staff who are familiar with the procedures for determining a household’s income.

4) Leverage the adoption of the Housing Plan to obtain competitive grants of funding in order to expand the scope of existing housing programs. After adopting the Housing Plan and a budget that supports its implementation, Irving and its partners should apply for competitive grants to support housing activities and leverage the City’s commitment to advancing affordable housing opportunities. Banks such as JP Morgan Chase and Wells Fargo, along with funders collaboratives provide grant funding to support affordable housing activities.
COMMUNITY ENGAGEMENT

1) Continue to conduct customer satisfaction surveys and start collecting longitudinal data.
   The City should continue to conduct surveys of individual households who receive housing assistance from the City. Additionally, so that the City can track its progress in achieving performance outcomes in this Housing Plan, the City should begin collecting longitudinal data from landlords and developers who receive assistance.

2) Create a dedicated Housing Plan website that includes an activity dashboard.
   The Housing Plan is built upon several prior efforts, including the Imagine Irving Comprehensive Plan and the Market Value Analysis and it is likely that future city plans will build upon the strategies set forth in this plan. Therefore, it is important that the City provide an opportunity for residents to easily locate and review the Housing Plan and related documents. The best way for the City to accomplish this goal is to create a website where the Housing Plan is available with live hyperlinks to the documents cited in the plan (such as the Unified Development Code). Likewise, this website should house a public data dashboard that displays the City’s progress towards meeting its housing production, preservation and economic mobility goals and its performance metrics. If the City moves forward with procuring an application software system, the City should ensure that data from the application system can easily be exported into the data dashboard.

3) Continue engaging stakeholders.
   It is imperative that the City continue to engage stakeholders during the implementation of the Housing Plan. At a minimum, the engagement process should include the following components:

   Designate the Housing and Human Services Board as the entity responsible for monitoring the implementation of the Housing Plan.

   Currently, the HHS board consists of nine council-appointed members. This board is ideally suited to monitor the implementation of the Housing Plan as it currently assists in the implementation and administration of all programs funded through the Community Development Block Grant, HOME Investment Partnerships Grant, and Emergency Shelter Grant programs.
Additionally, so that the board is composed of persons with skillsets that allow them to exercise sufficient oversight while also voicing a range of perspectives, we recommend that board include members that meet one of the following eligibility criteria: at least 3 years of real estate sales experience, at least 3 years of banking or real estate finance experience, or at least 3 years of real estate construction experience. Additionally, at least one board member should be a member of a low- or moderate-income household or work for an organization whose primary mission is to serve low and/or moderate-income households.

*Continue engaging in Neighborhood Planning Efforts.*

While the Market Value Analysis can help the City target its scarce resources, it is equally important that the City consult with neighborhoods that could be impacted – either positively or negatively – by proposed City investments. The City should initiate formal neighborhood planning processes in impacted neighborhoods in order to obtain guidance from neighbors regarding future development and redevelopment of land, infrastructure investments, and public facility improvements. These planning efforts can help the neighborhood identify its priorities. Additionally, consulting with stakeholders before the approval of development plans can help align community desires with proposed development.

*Coordinate with existing organizations to engage in neighborhood beautification efforts in priority neighborhoods.*

Since this Housing Plan recommends that the City focus its investments in specific geographies as guided by the MVA, we also recommend that the City work with other departments and outside agencies to encourage and foster community engagement in these same areas.

For example, the City could leverage the community connections forged by the Code Compliance department and Keep Irving Beautiful, which is a volunteer-based, non-profit organization that facilitates an Adopt-A-Spot program. Adopters, such as businesses, faith groups, neighborhood associations, schools, and scout troops make a commitment to keep their areas litter-free and report their results to Keep Irving Beautiful on a monthly basis. A successful partnership with Keep Irving Beautiful could involve conducting community organization and engagement efforts in neighborhoods where the City has funded the repair and/or construction of housing units.
## SUMMARY OF RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Category</th>
<th>Recommendation</th>
<th>Phase</th>
<th>Market Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preservation</td>
<td>1) Create a multifamily rental rehabilitation loan program</td>
<td>1-3</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Preservation</td>
<td>2) Create a single-family rental rehabilitation loan program</td>
<td>1-3</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Preservation</td>
<td>3) Continue to operate and fund the existing Home Rehabilitation Program</td>
<td>2-3</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Preservation</td>
<td>4) Create a Neighborhood Empowerment Zone (NEZ) Program</td>
<td>1-3</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Preservation</td>
<td>5) Apply for additional Housing and Urban Development (HUD) Section 108 financing to support the Multifamily Rental Housing Rehabilitation Program</td>
<td>2</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Preservation</td>
<td>6) Support the development of Accessory Dwelling Units</td>
<td>1-3</td>
<td>Plan Req.</td>
</tr>
<tr>
<td>Development</td>
<td>1) Proactively identify development opportunities for CHDOs</td>
<td>3</td>
<td>Plan. Req.</td>
</tr>
<tr>
<td>Development</td>
<td>2) Develop objective evaluation criteria for providing support to Housing Tax Credit proposals</td>
<td>1-3</td>
<td>A - E</td>
</tr>
<tr>
<td>Development</td>
<td>3) Create a new base zoning district or an overlay district that allows for more than one single family detached dwelling unit to be constructed on a parcel of land</td>
<td>1</td>
<td>Plan Req.</td>
</tr>
<tr>
<td>Development</td>
<td>4) Adopt Appendix Q to the 2021 International Residential Code</td>
<td>1</td>
<td>Citywide</td>
</tr>
<tr>
<td>Development</td>
<td>5) Explore the viability of creating Density Bonus and Community Land Trust Programs</td>
<td>1-3</td>
<td>Plan Req.</td>
</tr>
<tr>
<td>Development</td>
<td>6) Create a streamlined, online incentive application process for housing developers</td>
<td>2-3</td>
<td>Citywide</td>
</tr>
<tr>
<td>Development</td>
<td>7) Identify a funding source that will allow the city to provide gap financing for new housing development projects</td>
<td>1</td>
<td>A-E</td>
</tr>
<tr>
<td>Economic Mobility</td>
<td>1) Raise the assistance limits in the Down Payment Assistance Program</td>
<td>1</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Economic Mobility</td>
<td>2) Create an Employer Assisted Housing Program</td>
<td>1-3</td>
<td>C, D, E</td>
</tr>
<tr>
<td>Economic Mobility</td>
<td>3) Create a searchable inventory of affordable housing units along with a consolidated housing waitlist</td>
<td>3</td>
<td>Citywide</td>
</tr>
<tr>
<td>Economic Mobility</td>
<td>4) Leverage the adoption of the Housing Plan to obtain competitive grants of funding in order to expand the scope of existing housing programs</td>
<td>1-2</td>
<td>Citywide</td>
</tr>
<tr>
<td>Additional</td>
<td>1) Continue to conduct customer satisfaction surveys and start collecting longitudinal data</td>
<td>3</td>
<td>Citywide</td>
</tr>
<tr>
<td>Additional</td>
<td>2) Create a dedicated Housing Plan website that includes an activity dashboard</td>
<td>2</td>
<td>Citywide</td>
</tr>
<tr>
<td>Additional</td>
<td>3) Continue engaging stakeholders</td>
<td>1</td>
<td>Citywide</td>
</tr>
</tbody>
</table>

"Plan Req." means that additional planning is required to determine the priority geographies.

**Phase 1 - Planning & Program Design:** Recommendations that include a Phase 1 require staff to solicit community input, initiate and complete program design, draft ordinances, develop program policies and procedures, develop program documents (including program agreements) and identify funding sources.

**Phase 2 - Finalization of Program Framework:** Recommendations that include a Phase 2 require staff to create online application portals, design marketing materials, identify staffing assignments and finalize funding sources and budgets.

**Phase 3 - Solicitation of Applications & Funding:** Recommendations that include a Phase 3 require staff to open programs for applications, complete zoning approvals, review and underwrite applications, and provide funding and other non-financial incentives to approved applications.
Overview of Production, Preservation and Economic Mobility Goals

The Housing Production and Preservation Goals set forth the number of housing units that Irving should aspire to produce and preserve on an annual basis through investment of public funds in order to meet a substantial percentage of the city’s housing needs. The Economic Mobility Goals relate to the number of individuals or households to whom Irving should provide direct financial assistance on an annual basis.

- **Production activities** use public investment to leverage private investment in the construction of new housing units.
- **Preservation activities** use public investment to leverage private investment in the rehabilitation of existing housing units.
- **Economic mobility activities** use public investment to help individuals and households purchase or rent market-rate housing units.

In order to calculate goals that are aggressive but that acknowledge Irving's duel constraints related to scarcity of funding and limited staffing, the Market Value Analysis served as a guide for determining the housing need. As stated earlier in the Housing Plan, a primary reason for conducting the MVA was to identify geographies where investment of public subsidy could be used most effectively to leverage private investment. Irving's Middle Market areas - MVA Markets C, D, and E* - are exactly the type of geographies where strategic public investments will likely spur increased private investment and lead to rising property values. For example, in MVA Markets C, D, and E, the median market values hover around the city average and private investment in housing is already occurring, either in the form of new housing construction or rehabilitation activities. Therefore, in these specific market areas, Irving does not need to invest where the private sector is unwilling to invest; rather, it merely needs to spur further investment in housing that will be offered at price points that are affordable for Irving's low- and moderate-income residents.

Since Irving's Middle Market areas appear well-suited for investment of public funds and the available funding cannot meet the housing need throughout the entire city, we limited our examination of the housing need to the Middle Market areas.

*MVA Market B is also considered a Middle Market area. However, it was excluded in order to place a reasonable limit on the geographies targeted for housing-related investments.*
Data Supporting the Production, Preservation & Economic Mobility Goals

In order to estimate the housing need for both homeowners and renters living in Irving’s Middle Market areas (MVA Markets C, D, and E), we focused on data related to the condition of housing units and the financial needs of persons living in these areas. Where "repairs needed" and "financial need" overlapped for either homeowners or renters, we counted those units within the calculation of housing need.

Repairs Needed (Homeowners) – Includes households living in single-family homes that indicated they were experiencing one or more housing quality problems, including deficiencies in plumbing, heating, and electrical systems per the U.S. Census Bureau, American Housing Survey.

Repairs Needed (Renters) – Includes the number of LIHTC housing units set to exit the tax credit program in 2020 and 2021, combined with households living in duplexes and triplexes that indicated they were experiencing one or more housing quality problems, including deficiencies in plumbing, heating, and electrical systems per the U.S. Census Bureau, American Housing Survey.

Financial Need - Includes households that identified themselves as housing cost-burdened, meaning that their monthly housing costs (including utilities) exceeded 30% of monthly income per the U.S. Census Bureau, American Community Survey.
Production, Preservation and Economic Mobility Goals

The total housing need and goals are broken out into two tables. Table 1 focuses on producing and preserving housing units for homeowners and helping individuals and families purchase a home (i.e. economic mobility). Table 2 focuses on producing and preserving housing units for renters.

- **Total Need** - The Total Need includes the number of housing units in MVA Markets C, D, and E where there was an overlap in "repairs needed" and the household's "financial need."

- **Segmented Needs** - The Total Need is further segmented into various income categories (Affordable, Workforce and Market Rate). The corresponding AMI and maximum incomes are included in order to clearly identify the incomes that are targeted in each category. Irving should seek to produce or preserve housing units that are affordable for households earning incomes within each targeted category.

- **Annual Goals** - The Annual Goals equal one-fifth of the corresponding housing needs and are segmented into the same income categories as the Total Need. Therefore, if Irving meets its annual goals for each of the next five years, it will have met the Total Need.

### Table 1: Home Ownership Production, Preservation & Economic Mobility Goals

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>AMI Range</th>
<th>Income (family of 4)</th>
<th>Owner</th>
<th>Preserved</th>
<th>Development (New)</th>
<th>Economic Mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Need</td>
<td>Annual Goal</td>
<td></td>
</tr>
<tr>
<td>Affordable</td>
<td>&lt;30%</td>
<td>$26,700</td>
<td>209</td>
<td>42</td>
<td>397</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30-50%</td>
<td>$44,500</td>
<td>1,047</td>
<td>209</td>
<td>359</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>50-80%</td>
<td>$71,200</td>
<td>1,047</td>
<td>209</td>
<td>365</td>
<td>73</td>
</tr>
<tr>
<td>Workforce</td>
<td>80-120%</td>
<td>$107,000</td>
<td>365</td>
<td>73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Rate</td>
<td>&gt;120%</td>
<td>&gt;$107,000</td>
<td>363</td>
<td>73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>2,303</td>
<td>460</td>
<td>1,849</td>
<td>74</td>
</tr>
</tbody>
</table>

### Table 2: Rental Production & Preservation Goals

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>AMI Range</th>
<th>Income (family of 4)</th>
<th>Renter</th>
<th>Preserved</th>
<th>Development (New)</th>
<th>Economic Mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Need</td>
<td>Annual Goal</td>
<td></td>
</tr>
<tr>
<td>Affordable</td>
<td>&lt;30%</td>
<td>$26,700</td>
<td>180</td>
<td>54</td>
<td>350</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>30-50%</td>
<td>$44,500</td>
<td>180</td>
<td>54</td>
<td>385</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>50-80%</td>
<td>$71,200</td>
<td>2,096</td>
<td>419</td>
<td>361</td>
<td>76</td>
</tr>
<tr>
<td>Workforce</td>
<td>80-120%</td>
<td>$107,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Rate</td>
<td>&gt;120%</td>
<td>&gt;$107,000</td>
<td>2,456</td>
<td>527</td>
<td>1,095</td>
<td>233</td>
</tr>
</tbody>
</table>
Expenditure of Resources

Although the Housing Production, Preservation and Economic Mobility goals have already been limited to focus on addressing the housing needs in MVA Middle Market areas, the expenditure of public resources needed to fully achieve these goals is still substantial.

Table 3, below, uses construction costs along with customary project financing approaches to estimate the amount of public subsidy that would be needed to meet the combined Home Ownership and Rental annual production, preservation and economic mobility goals of 1,572 units.

Acknowledging that it may not be feasible to immediately identify and secure sufficient sources of public funding during the early stages of the implementation of the Housing Plan, we nevertheless encourage Irving to take an ambitious approach to achieving these goals, including identifying new sources of funding for housing activities.

Table 3: Resources Needed

<table>
<thead>
<tr>
<th>Units</th>
<th>Avg. Sqft</th>
<th>Total Sqft</th>
<th>Avg Cost/Sqft</th>
<th>Total Cost</th>
<th>City Gap Financing</th>
<th>Debt</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>New SF Units</td>
<td>355</td>
<td>2,500</td>
<td>887,102</td>
<td>$139.93</td>
<td>$134,132,167.93</td>
<td>$24,826,433.59</td>
<td>$86,892,517.55</td>
</tr>
<tr>
<td>New MF Units</td>
<td>156</td>
<td>1,340</td>
<td>209,478</td>
<td>$145.93</td>
<td>$30,569,177.40</td>
<td>$3,056,917.74</td>
<td>$12,227,670.96</td>
</tr>
<tr>
<td>Rehab Units MF</td>
<td>568</td>
<td>1,340</td>
<td>761,781</td>
<td>$158.89</td>
<td>$121,039,393.68</td>
<td>$12,103,939.37</td>
<td>$60,519,696.84</td>
</tr>
<tr>
<td>Rehab Units SF</td>
<td>419</td>
<td>2,000</td>
<td>838,400</td>
<td>$168.43</td>
<td>$141,211,712.00</td>
<td>$14,121,171.20</td>
<td>$84,727,027.20</td>
</tr>
<tr>
<td>Soft Second  Mortgages</td>
<td>73</td>
<td>2,000</td>
<td>838,400</td>
<td>$168.43</td>
<td>$5,255,774.21</td>
<td>$5,255,774.21</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,572</td>
<td></td>
<td></td>
<td>$422,208,225.23</td>
<td>$59,364,236.10</td>
<td>$244,366,912.56</td>
<td>$118,477,076.57</td>
</tr>
</tbody>
</table>

“The Imagine Irving scenario anticipates over 27,000 new housing units between today and 2040. An estimated 11,000 new single-family units will be needed by 2040, which includes free-standing homes, cottages, zero-lot line homes and townhomes. Due to the limited availability of vacant land, the majority of future single-family homes will be constructed on small lots. At community planning workshops and through surveys, images of cottage- and courtyard-style housing were well received. This housing type also is performing well in the national real estate market. Irving’s housing demand also includes an estimated 16,500 multifamily units, nearly all of which will be in a mixed-use residential context with ground floor office or retail, located in walkable neighborhoods.” City of Irving Comprehensive Plan
Implementing the Proposed Recommendations in a Catalytic Project:
Heritage Crossing District

According to the Imagine Irving Comprehensive Plan, the Heritage Crossing District is “an area that is ready for reinvestment” and “is a classic example of ‘main street’ style walkable design that utilizes the small street blocks and pedestrian scale of the area.”

Bounded by Pioneer Drive (North), Shady Grove Road (South), Britain Road (East), and MacArthur Boulevard (West), the Heritage Crossing District is an area that has received intense focus from the City for many years as the City has sought to build upon numerous strengths in the District, including a well-designed street grid, several parks, and proximity to city services and transit, while also addressing significant barriers to neighborhood vitality, including aging street infrastructure, single-family homes in need of repair, and a lack of private investment in the commercial corridor. In 2016, the City completed a visionary planning project that set the framework for the redevelopment of the District by creating a special form-based code zoning district for the area that, among other things, authorizes the development of housing types that have not been built in the City at significant scale, including townhomes, multi-unit homes and live-work units.

Recommendations

1) Review zoning standards to potentially require less on premise residential parking in areas of the district that are near public transit or where existing parking could be shared.

Currently, single-family residential, townhouse and multi-unit homes developed in the Heritage Crossing District must provide a minimum of 2 parking spaces per dwelling unit, regardless of whether the homes are developed near public transit. These parking requirements may be unnecessary and may impair the viability of housing development on larger City-owned parcels of land in the District. With the Tract 1 & 2 site development site especially, the City should consider options for a shared parking agreement, since the Senior Center offers a considerable amount of parking, much of which is unused throughout the day and experiences no usage in the evening hours after the Senior Center is closed. The City could also consider creating a Public Improvement District (PID) to build and maintain a public parking garage that would provide parking for the City-owned tracts as well as encourage other redevelopment in the area.
2) Focus on attracting market-rate housing development while not forgetting the need to preserve existing affordable units.

Per the MVA, the Heritage Crossing District is located in a Weak Market area that is surrounded by other Weak Market areas and a few Middle Market areas. Therefore, it is important for Irving to make public investments that build from local nodes of strength, such as the Downtown Irving/Heritage Crossing light rail station, Heritage Senior Center and Heritage Park that will help negate the reluctance of the private sector to invest in the area.

Housing development should focus on adding market-rate units, while also preventing widespread displacement of existing low- and moderate-income homeowners and renters. If all redeveloped parcels in the District were required to be reserved exclusively for low- and moderate-income households, it is not likely that private investment would occur, due to the lack of higher income households with more disposable income.

Therefore, the City should continuously review its pipeline of residential projects in the District to identify and track the number of units that are likely to be affordable to low- and moderate-income households, either primarily through design (e.g. the approved development of 900 square foot multifamily housing units at 200 N. Main Street and 211, 213 and 221 East Irving Boulevard) or specifically reserved for low- and moderate-income households (e.g. the proposed 76-unit multifamily housing project at 400 S. MacArthur Blvd that is seeking an allocation of housing tax credits). Additionally, the City cannot neglect the need to help existing low- and moderate-income homeowners and tenants remain in their homes.

3) Develop Tract 1 & 2 as cottage housing.

Currently, cottage housing is not a permitted use in the Heritage Crossing District. However, this development site provides a unique opportunity to build a product that has been repeatedly cited by Irving residents as one which they desire, and provides the opportunity to create a connected, vibrant community. The cottage homes should be clustered in small groups (4-6 units) around common open space. This type of development is likely to be attractive to all ages but especially to seniors who are drawn to the opportunity to live in a smaller home that still suits their space needs, while being able to both engage in social interactions with other members of the cottage living development and easily walk to the Heritage Senior Center.
CASE STUDY

4) Partner with CHDOs to develop scattered lots as duplex or multi-unit (2-4) unit homes.
Because the City has a limited number of parcels on which it can explicitly control the type of housing that is constructed, it is important to use these opportunities to add as many units as possible to the housing supply while also respecting existing neighborhood characteristics. The zoning allows for the development of duplex and multi-unit (2-4) unit homes by right and Irving should take advantage of this opportunity to gradually increase density. Larger lots in the area would be ideal for multi-unit homes. Because the City currently has few active CHDOs to which it can allocate its reserved pool of HOME funding, the City should specifically target one or more of these properties for development of housing units by CHDOs. Partnering with a CHDO allows the City to be closely involved in the design and layout of these housing types - which are currently under-built in the City - so that the CHDO gains experience developing a high-quality, marketable product that can later be built in other suitable areas of the City.

5) Designate the Heritage Crossing District, along with the adjacent neighborhoods directly to the East as a Neighborhood Empowerment Zone (NEZ).
Designating this area as a NEZ will serve several purposes because it will allow the City to: (1) create a suite of incentives that can be offered to existing or prospective owners of vacant land in the NEZ to lower the cost of development and encourage development that aligns with the Housing Plan and other City-approved plans and (2) implement strategies to help low- and moderate-income homeowners and renters remain in their homes.

The adjacent residential neighborhoods to the East of the District should be included in the NEZ, such that the Eastern boundary of the NEZ is expanded to Balleywood Lane. The City should focus preservation efforts in these neighborhoods because they are currently Weak Market areas per the MVA and have a high percentage of single family rental properties. If the City’s redevelopment efforts are successful in the Heritage Crossing District, it is likely that private investors will begin seeking to acquire property in these adjacent neighborhoods. Low- and moderate-income homeowners will be susceptible to increasing property taxes and below-market purchase offers if they are saddled with numerous home repair issues, code enforcement tickets, and property tax liens. Therefore, housing preservation efforts, combined with new sources of income if ADUs are permitted, will allow these homeowners to benefit from increasing property values and the resulting home equity.
Performance Measure Trends & Goals

If Irving makes significant strides towards achieving its production, preservation and economic mobility goals, it will likely result in rising property values, reductions in code violations, increases in private investment, and increases in financial stability for assisted households living in the neighborhoods where focused public investment occurred. In order to track whether these desired outcomes are occurring, Irving should regularly monitor its performance related to its housing activities.

The performance measures discussed in the following pages are grouped by individual housing programs. For each program, the performance measures include: the initial output that should be tracked (i.e. the direct results of the activity), the desired short-term and mid-range outcomes, the long-term trends that will signify that change has occurred, and the indicators that measure whether the outcomes have occurred as well as the amount of change that occurred.

Data to be Used to Track Improved Housing and Neighborhood Outcomes
- Documented code violations at assisted properties
- Documented code violations in targeted neighborhoods
- MVA category where assisted property is located
- MVA categories in targeted neighborhoods
- Appraisal/sales values of assisted properties
- Ownership status of assisted properties

Data to be Used to Track Improved Family Outcomes
- Self-reported household earnings & savings and household health

*Irving could partner with a local educational institution to gather data related to family outcomes through a survey instrument.*
## PERFORMANCE MEASURES

**Down Payment Assistance Program**

**Goal:** To provide access to market-rate housing for moderate-income homebuyers by providing financial assistance that allows the homebuyer to purchase a new or pre-owned home within Irving.

| Output | 1. No. of moderate-income households provided down payment assistance  
2. Amount of funding provided per household |
|---|---|
| Short-Term Outcome | 1. Assisted households are able to purchase homes in MVA Middle Market areas (C, D, & E).  
2. Assisted households are able to live in homes that are clean, safe, not overcrowded and are near employment centers, high-performing schools, transportation and amenities. |
| Mid-Range Outcome | Assisted households maintain ownership of their homes |
| Trend | Assisted households continue building home equity and experience sustained improvements in household wealth and physical/mental health |
| Indicator | 1. Purchase price of home  
2. MVA category of home at time of purchase  
3. MVA category, appraisal/sales values, and ownership status changes over time  
4. Self-reported family outcomes |
| Sources: | Dallas Central Appraisal District  
Market Value Analysis  
Assisted Family Survey (optional) |
### Single Family Home Repair Program (Owner)

**Goal:** To prevent displacement of low- and moderate-income homeowners due to code compliance issues or predatory investors by providing financial assistance to homeowners who make substantial repairs that improve the overall livability and functionality of their housing unit.

**PERFORMANCE MEASURES**

| Output | 1. No. of low/mod households provided repair assistance  
2. Amount of funding provided per household |
| --- | --- |
| **Short-Term Outcome** | 1. Assisted households are able to obtain repairs that improve the appearance and safety of their home  
2. Assisted households are able to live in homes that are clean and safe |
| **Mid-Range Outcome** | 1. Assisted households continue to maintain and invest in their homes  
2. Nearby neighbors maintain and make investments in their homes |
| **Trend** | 1. Assisted households remain in their homes or are able to sell their homes and access their equity  
2. Home values appreciate throughout the neighborhood and quality of life improves  
3. Assisted households continue to build home equity and experience sustained improvements in household wealth and physical/mental health |
| **Indicator** | 1. Documented code violations at assisted property and in neighborhood at time of assistance  
2. MVA category where home is located at time of assistance  
3. MVA category, appraisal/sales values, code violations and ownership status changes over time  
4. Self-reported family outcomes |

**Sources:**
- Code Inspector Reports
- Dallas Central Appraisal District
- Market Value Analysis
- Assisted Family Survey (optional)
### Single Family Home Repair Program (Rental)

**Goal:** To prevent displacement of low- and moderate income renters due to code compliance issues and stabilize single-family neighborhoods by providing financial assistance to landlords who agree to make substantial repairs that improve the overall livability and functionality of the rental housing unit while also maintaining the affordability of the unit.

| Output | 1. No. of landlords provided repair assistance  
2. Amount of home repair funding provided per rental home |
|---|---|
| Short-Term Outcome | 1. Landlords are able to make repairs that improve the appearance and safety of their rental properties  
2. Tenants are able to live in homes that are clean and safe |
| Mid-Range Outcome | 1. Assisted landlords maintain and invest in their rental homes  
2. Tenants are not evicted |
| Trend | 1. Real estate values appreciate throughout the neighborhood and quality of life improves  
2. Tenants experience sustained improvements in financial health and physical/mental health  
3. City expends less resources on code compliance and other services. |
| Indicator | 1. Documented code violations at assisted property and in neighborhood at time of assistance  
2. MVA category where home is located at time of assistance  
3. MVA category, appraisal/sales values, code violations and ownership/tenant status changes over time  
4. Neighborhood outcomes |
| Sources: | Code Inspector Reports  
Dallas Central Appraisal District  
Market Value Analysis  
Assisted Family Survey (optional) |
PERFORMANCE MEASURES

Multi-Family New Construction Program/LIHTC Support

Goal: To encourage the development of affordable housing units in strong and middle market areas with numerous amenities by providing governing body support and financial support to developers who agree to build affordable housing units in such markets.

<table>
<thead>
<tr>
<th>Output</th>
<th>1. No. units constructed</th>
<th>2. Per unit development costs and gap financing provided</th>
<th>3. Incomes and special populations served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-Term Outcome</td>
<td>1. Low/mod households are able to rent units in strong and middle market areas</td>
<td>2. Low/mod households are able to live in rental units that are clean, safe, not overcrowded and near employment centers, high-performing schools, transportation and amenities.</td>
<td></td>
</tr>
<tr>
<td>Mid-Range Outcome</td>
<td>Property owners maintain and invest in their properties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trend</td>
<td>1. Real estate values appreciate throughout the neighborhood and quality of life improves</td>
<td>2. Tenants experience sustained improvements in financial health and physical/mental health</td>
<td>3. City expends less resources on code compliance and other services.</td>
</tr>
<tr>
<td>Indicator</td>
<td>1. MVA category where property is located at time of construction</td>
<td>2. MVA category, appraisal/sales values, code violations and ownership status changes over time</td>
<td>Sources:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Self-reported family outcomes</td>
<td>Code Inspector Reports</td>
</tr>
</tbody>
</table>
<pre><code>                                                                  |                          |                                                        | Dallas Central Appraisal District       |
                                                                  |                          |                                                        | Market Value Analysis                  |
                                                                  |                          |                                                        | Assisted Family Survey (optional)      |
</code></pre>
## PERFORMANCE MEASURES

### Multi-Family Rehab Program

Goal: To prevent displacement of low- and moderate-income renters due to code compliance issues or investor activity by providing financial assistance to owners of aging apartment communities who agree to make substantial repairs that improve the overall livability and functionality of the rental housing unit while also maintaining the affordability of the housing units.

| Output | 1. No. units rehabbed  
| 2. Per unit rehab cost |
|---|---|
| Short-Term Outcome | 1. Landlords are able to make repairs that improve the appearance and safety of their rental properties  
| 2. Tenants are able to live in rental units that are clean and safe |
| Mid-Range Outcome | 1. Property owners maintain and invest in their properties  
| 2. Tenants are not evicted |
| Trend | 1. Real estate values appreciate throughout the neighborhood and quality of life improves  
| 2. Tenants experience sustained improvements in financial health and physical/mental health  
| 3. City expends less resources on code compliance and other services |
| Indicator | 1. Documented code violations at assisted property and in neighborhood at time of assistance  
| 2. MVA category where home is located at time of assistance  
| 3. MVA category, appraisal/sales values, code violations and ownership/tenant status changes over time  
| 4. Neighborhood outcomes |
| Sources: | Code Inspector Reports  
|  | Dallas Central Appraisal District  
|  | Market Value Analysis  
|  | Assisted Family Survey (optional) |
The definitions used in this glossary are referenced verbatim from federal, state and local government sources or other known experts in the real estate, planning, or construction industries. Links to the original sources for the definitions are included in the footnotes.

Accessory Dwelling Unit (ADU): Accessory dwelling units (ADUs) — also referred to as accessory apartments, second units, or granny flats — are additional living quarters on single-family lots that are independent of the primary dwelling unit. The separate living spaces are equipped with kitchen and bathroom facilities, and can be either attached or detached from the main residence.¹

Affordable Housing: Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.²

Community Development Financial Institution (CDFI): CDFIs are mission-driven financial institutions that create economic opportunity for individuals and small businesses, quality affordable housing, and essential community services in the United States. Four types of institutions are included in the definition of a CDFI: CD banks, CD credit unions, CD loan funds (most of which are nonprofit), and CD venture capital funds. CDFIs may be certified by the CDFI Fund.³

Community Housing Development Organization (CHDO): A Community Housing Development Organization is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves.⁴

Community Land Trust: A CLT is a system of tenure in which the underlying land is owned by a mission-driven entity, usually a nonprofit, whereas the buildings on the land are owned or leased by residents. CLTs have the explicit goal of promoting affordable housing and contain legal provisions governing ownership and transfer to keep units affordable in perpetuity. This dual ownership model, which separates the cost of the land from the cost of the buildings, make ownership more accessible to low- and moderate-income families. Homeownership through a CLT can also be more stable, because the strict formulas trusts use to calculate the permissible resale value of their houses effectively remove the properties from the speculative gyrations of the real estate market.⁵
In Texas, the Texas Local Government Code sets forth the methods in which a municipality or county may create or designate a Community Land Trust.\textsuperscript{6}

**Cottage Housing:** Cottage Housing is typically characterized as a cluster or multiple clusters of 5-12 single family detached dwelling units with reduced setbacks between cottages associated with a common open space and developed under a common development plan.\textsuperscript{7}

**Extremely Low-Income Families:** Families whose incomes do not exceed the greater of 30 percent of the median family income for the area or the federal poverty guidelines as published by the Department of Health and Human Services.\textsuperscript{8}

**General Obligation (GO) Bonds:** Irving issues GO Bonds to finance major capital purchases; most often to improve or expand city facilities and infrastructure. GO Bonds are backed by the “full faith and credit” of the City of Irving, meaning any revenue source can be used to pay the debt. In practice, principal and interest payments are funded by a tax assessment on the valuation of each commercial, residential and business personal property account within the city.\textsuperscript{9}

**Inclusionary Zoning:** Inclusionary zoning programs vary in their structure; they can be mandatory or voluntary and have different set-aside requirements, affordability levels, and control periods. Most inclusionary zoning programs offer developers incentives, such as density bonuses, expedited approval, and fee waivers. IZ policies require or encourage developers to set aside a certain percentage of housing units in new or rehabilitated projects for low- and moderate-income residents. This integration of affordable units into market-rate projects creates opportunities for households with diverse socioeconomic backgrounds to live in the same developments and have access to same types of community services and amenities. And because it leverages private-sector development, IZ requires fewer direct public subsidies than do many other state and federal programs that promote mixed-income communities. In Texas, the Texas Local Government Code regulates certain inclusionary zoning policies that many be implemented by municipalities.

**Low-Income Families:** Families whose incomes do not exceed 80 percent of the median family income for the area.\textsuperscript{10}
Low Income Housing Tax Credit (LIHTC): Created by the Tax Reform Act of 1986, the LIHTC program gives State and local LIHTC-allocating agencies the equivalent of approximately $8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. An average of almost 1,400 projects and 106,400 units were placed in service annually between 1995 to 2018.\(^\text{13}\)

**Market Rate Rent:** The prevailing monthly cost for rental housing. It is set by the landlord without restrictions.\(^\text{14}\)

**Median Household Income or Median Family Income:** This is a statistical number set at the level where half of all households or families have income above it and half below it. The U.S. Department of Housing and Urban Development Regional Economist calculates and publishes this median income data annually in the Federal Register.\(^\text{15}\)

**Multi-Unit Home:** A multi-unit residential building (two (2) to four (4) units) that is designed to appear as a large single family home from the exterior, but functions as a multi-unit building in the interior. Multi-unit homes have one main front door for the building, but may also have side and rear entries. Parking is accessed from an alley or a driveway leading to the rear of the lot. Parking may not face the right of way.\(^\text{16}\)

**Multi-Family Dwelling:** A building or buildings containing or aggregating three (3) or more single-family dwellings.\(^\text{17}\)

**NAICS:** The North American Industry Classification System (NAICS) uses a production-oriented conceptual framework to group establishments into industries based on the activity in which they are primarily engaged. Establishments using similar raw material inputs, similar capital equipment, and similar labor are classified in the same industry. In other words, establishments that do similar things in similar ways are classified together.\(^\text{18}\)
Subsidized Housing: A generic term covering all federal, state or local government programs that reduce the cost of housing for low- and moderate-income residents. Housing can be subsidized in numerous ways—giving tenants a rent voucher, helping homebuyers with down payment assistance, reducing the interest on a mortgage, providing deferred loans to help developers acquire and develop property, giving tax credits to encourage investment in low- and moderate-income housing, authorizing tax-exempt bond authority to finance the housing, providing ongoing assistance to reduce the operating costs of housing and others. Subsidized simply means that rents are reduced because of a particular government program. It has nothing to do with the quality, location or type of housing.19

Tiny Home: A dwelling that is 400 square feet or less in floor area excluding lofts.20

Tax Increment Financing: Tax Increment Financing (TIF) is an economic development tool that allows cities and counties to capture tax revenue from Tax Increment Reinvestment Zones (TIRZs). When a TIRZ is formed, the amount of existing tax collections originating from inside the zone’s boundary is set as the baseline. As tax revenues increase in future years, the amount that exceeds the baseline is redirected out of the city’s general fund (which funds things like parks, public safety, and sidewalks across the city) into the TIF fund for the zone. The TIF fund can be used for: project costs that benefit the zone (costs of public works, public improvements, programs, and other projects benefiting the zone); and certain costs can be outside the zone: public infrastructure, affordable housing, and areas of public assembly.21

Very Low-Income Families: Families whose incomes do not exceed 50 percent of the median family income for the area.22

2 HUD, Glossary of Terms to Affordable Housing, https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm#:~:text=Affordable%20Housing%3A%20Affordable%20housing%20is,for%20housing%20costs%2C%20including%20utilities)


4 HUD, HOME CHDO, https://www.hudexchange.info/programs/home/topics/chdo/#policy-guidance-and-faqs

5 HUD, Community Land Trusts and Stable Affordable Housing, https://www huduser.gov/portal/pdredge/pdr-edge-featd-article-110419.html


9 City of Irving, Debt Information, https://www.cityofirving.org/3117/Debt-Information#:~:text=General%20Obligation%20(GO)%20Bonds,expand%20city%20facilities%20and%20infrastructure.&text=Each%20type%20is%20issued%20for,term%20of%20the%20debt%20obligations


ENDNOTES


13 HUD, Low Income Housing Tax Credit (LIHTC), https://www.huduser.gov/portal/datasets/lihtc.html

14 HUD, Glossary of Terms to Affordable Housing, see link in footnote 3.

15 HUD, Glossary of Terms to Affordable Housing, see link in footnote 3.

16 City of Irving, Texas, Unified Development Code – Heritage Crossing District, https://library.municode.com/tx/irving/codes/land_development_code?nodeld=PTIIUNDECO_CH2ZODIUSST_2.6MIEI_2.6.6HECRDIHC


19 HUD, Glossary of Terms to Affordable Housing, see link in footnote 3.

