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September 2012

Racial Segregation, Community Revitalization and Low Income Housing Tax Credit Units in the City of Dallas, Texas.

The concentration of low income housing tax credits into low income and predominantly minority census tracts in the City of Dallas, Texas has not furthered community revitalization. 81% of all family tax credit units in the City of Dallas are in census tracts that are still marked by the indicators of neighborhood distress and lack of opportunity that accompany concentrations of poverty.¹ However, the development of low income housing tax credit units has furthered racial segregation. 92.29% of LIHTC units in the city of Dallas were located in census tracts with less than 50% Caucasian residents. *Inclusive Communities Project, Inc. v. TDHCA*, 749 F.Supp.2d 486, 499 (N.D. Tex. 2010).

Community revitalization must accomplish more than just providing housing units for low income tenants in slum and blighted areas.² The accompanying maps drawn by DBPC show the lack of community revitalization from tax credit units by plotting the location and approval year of each LIHTC project in the City of Dallas, Texas against two relevant U.S. government indexes.³ The HUD Opportunity Index uses poverty, income and a variety of other demographic elements to measure the opportunities for jobs, transportation, and educational opportunities for each census tract in the country. This Opportunity Index ranks a census tract and block group by the absence of such opportunities if the Index is “0” or the presence of such opportunities on a sliding scale from 40 to 100. McClure, *Housing Choice Voucher Marketing Opportunity Index*:

¹ Galster, Curtsinger, Malega, “The Social Costs of Concentrated Poverty: Externalities to Neighboring Households and Property Owners and the Dynamics of Decline,” pp. 93-113 in N. Retsinas and E. Belsky, eds. *Revisiting Rental Housing: Policies, Programs, and Priorities*. Washington, DC: Brookings Institution Press, 2008.

² Joint Center for Housing Studies, Harvard University, “Revisiting Rental Housing Policy: Observations from a National Summit,” April 2007, pages 10 - 11.

³ The LIHTC data is from the Texas Department of Housing and Community Affairs Project Inventory 2012 HTC Site Demographic Characteristics Report (XLS) and is available from that agency at <http://www.tdhca.state.tx.us/multifamily/applications.htm>

Analysis of Data at the Tract and Block Group Level, February 2011, pages 33 - 34.⁴

The Opportunity Index Map by DBPC shows that 99.6% of the low income housing tax credit units in the City of Dallas are in census tracts with a “0” HUD Opportunity Index rating. *Map, City of Dallas Low Income Housing Tax Credit Properties and HUD Opportunity Index*. This shows that the families living in tax credit housing in the City of Dallas are in racially segregated neighborhoods lacking opportunities for jobs, transportation, and education.

The second government index is the U.S. Treasury Department’s Distress Index. These neighborhoods have the ranking of “4” which indicates the most distressed census tracts. The index is based on poverty rates, median household income and unemployment rates for each census tract. This index is based on the U.S. Census American Community Survey for 2005 - 2009 and shows the status of the tract as of 2009. CDFI Fund - U.S Distress Indicators.⁵

The CDFI Distress Indicator Map by DBPC shows that those units, including those built before 2000, did little to alleviate the need for revitalization. 85% of the units are located in census tracts rated at the highest CDFI Distress Index level, 4. *Map, City of Dallas Low Income Housing Tax Credit Properties and CDFI Distress Index*.

The Crime Hot Spots map by DBPC illustrates that the concentration of tax credit units in high poverty areas subjects many of the households residing in the tax credit units to a high risk of being a crime victim. The City of Dallas Crime Hot Spots map shows the location and number of low income tax credit units in the City of Dallas neighborhoods with the highest rates of criminal victimization. 45% of the tax credit units in the City were in those neighborhoods. *Map, Dallas Crime Hot Spots and City of Dallas Low Income Housing Tax Credit Properties*.

One of the asserted justifications for putting tax credit units into blighted neighborhoods before any revitalization has begun is that this allows the poor families to remain in the neighborhood once the revitalization has turned the community around. The lack of change in the levels of poverty and distress around most of the tax credit units in the City of Dallas means that many families will have lived in those units for many years without seeing any improvements from any community revitalization. The children in these families will have suffered the effects of the blight and distress while still waiting for the possible coming of community revitalization.⁶

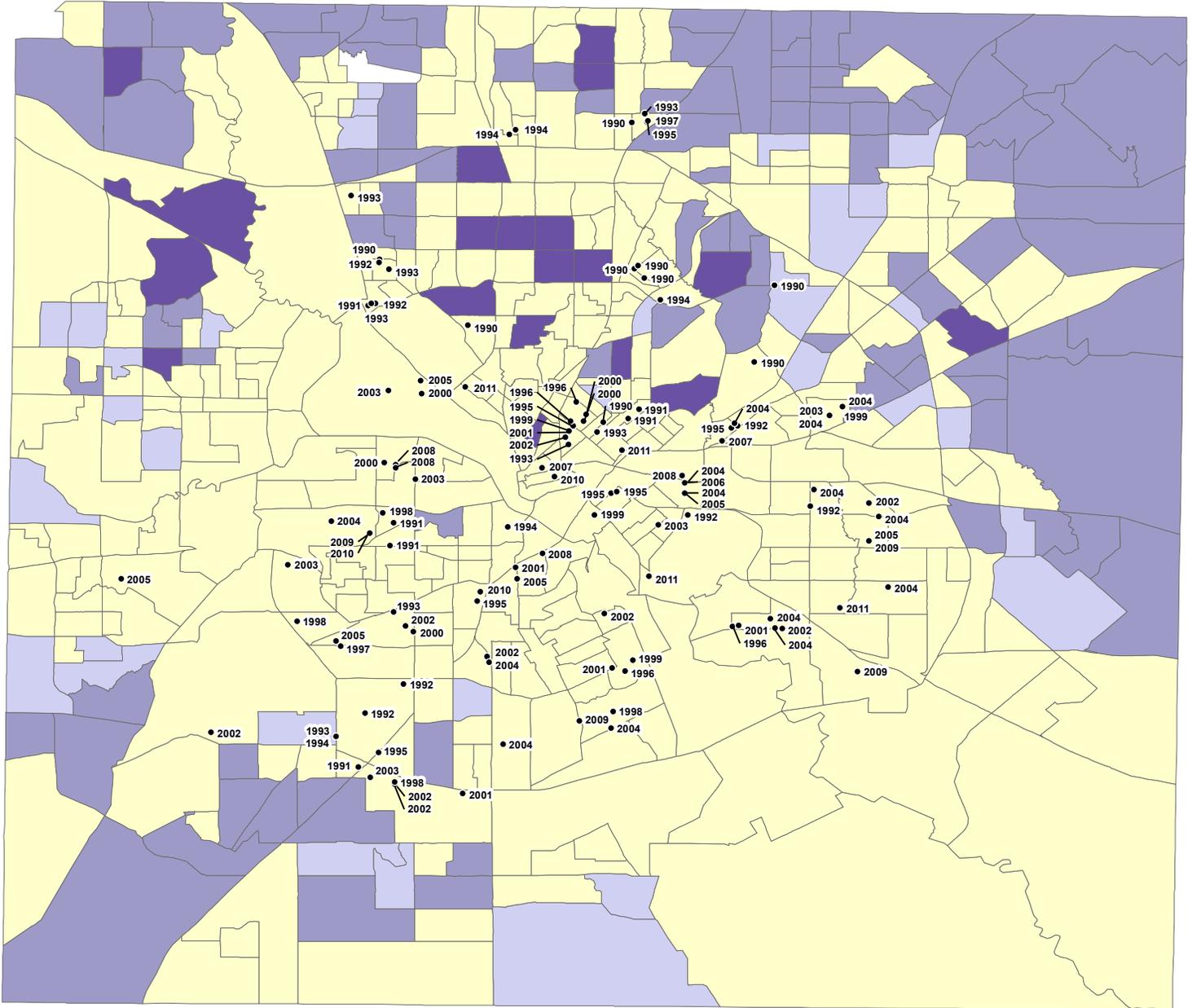
⁴ The HUD Opportunity Index data is from the HUD PD&R web site and is available at http://www.huduser.org/portal/publications/pubasst/housing_choice_voucher.html.

⁵ The CDFI Distress Index data is from the U.S. Treasury Department web site and is available at http://www.cdfifund.gov/what_we_do/distress_indicators_overview.asp.

⁶ Sampson, Sharkey, and Raudenbush, “Durable effects of concentrated disadvantage on verbal ability among African-American children,” *Proceedings of the National Academy of Sciences*, January 22, 2008, vol. 105, no. 3, pages 845–852.

City of Dallas

Low Income Housing Tax Credit Properties and HUD Opportunity Index



Low Income Housing Tax Credit Properties

- With Year Approved

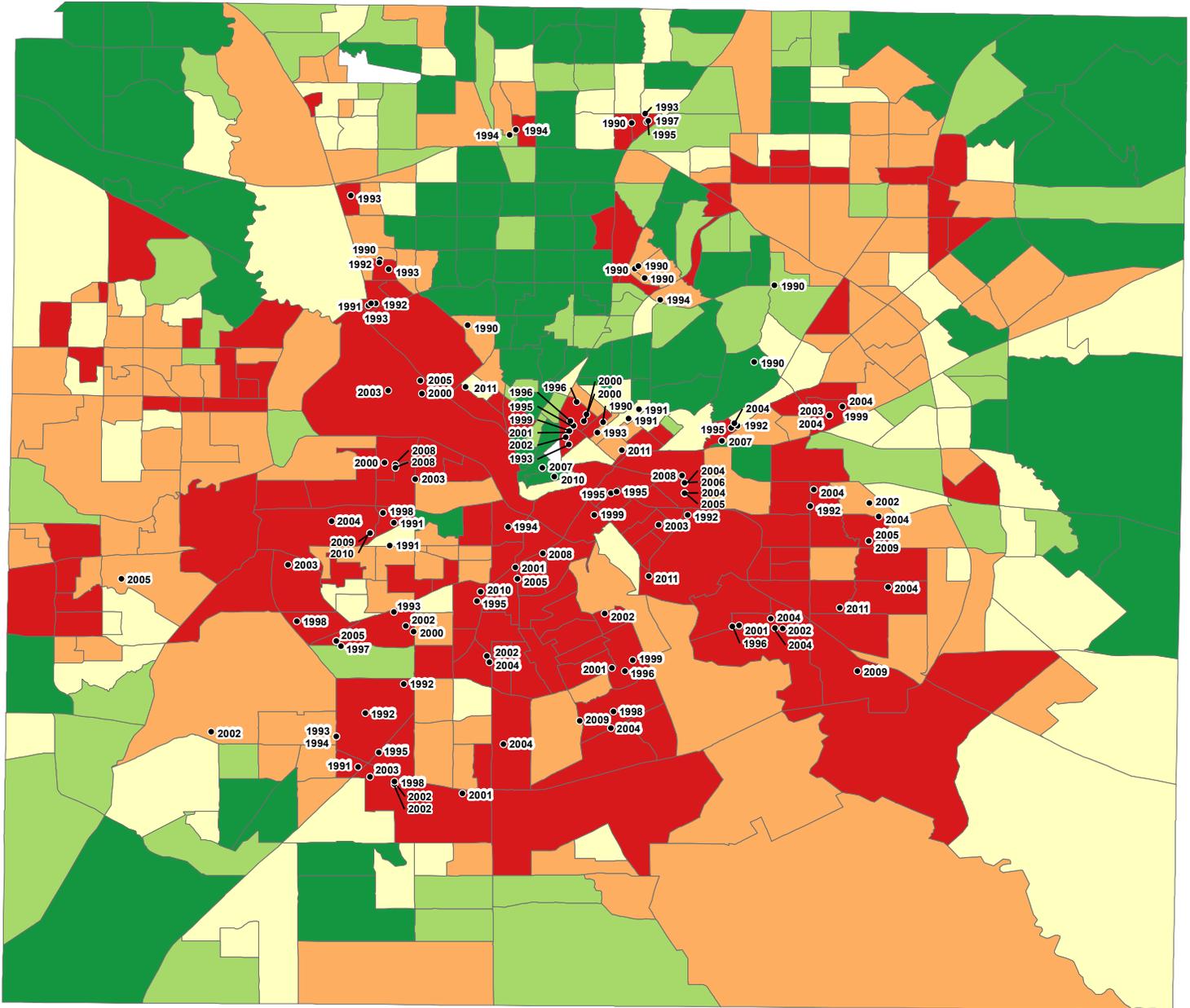
2000 Census Tracts with HUD Opportunity Index

0
40; 50
60; 70
80; 90

City of Dallas only	Number of Units	Percent of Total Units
Units With HUD Opportunity Index 0	19240	99.6%
Units With HUD Opportunity Index 40	0	0%
Units With HUD Opportunity Index 50	82	0.4%
Units With HUD Opportunity Index 60	0	0%
Units With HUD Opportunity Index 70	0	0%
Units With HUD Opportunity Index 80	0	0%
Units With HUD Opportunity Index 90	0	0%
Units With HUD Opportunity Index 100	0	0%
Total Units	19322	

City of Dallas

Low Income Housing Tax Credit Properties and CDFI Distress Index*



Low Income Housing Tax Credit Properties

- With Year Approved

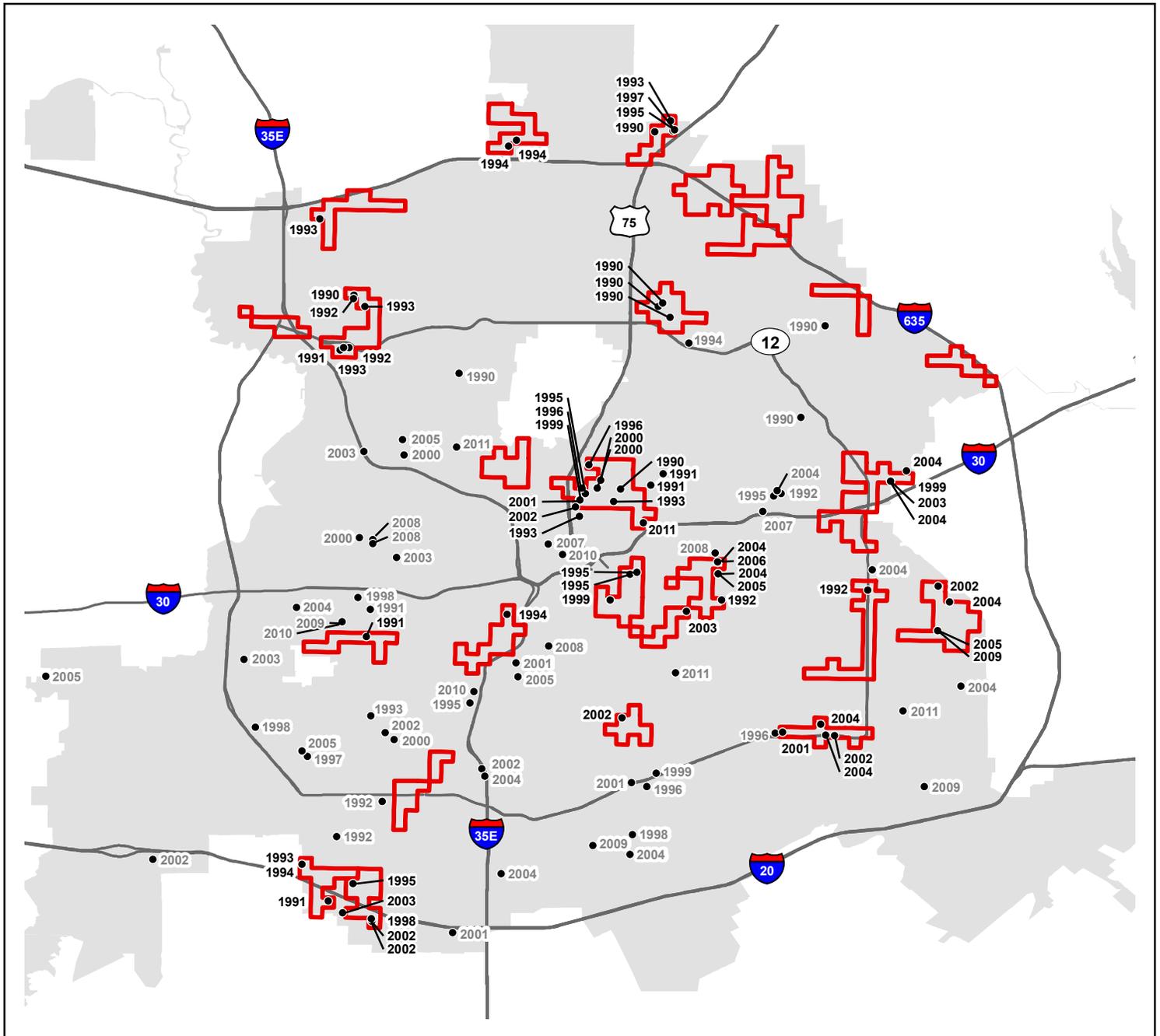
2000 Census Tracts with CDFI Distress Index

- 4 (Most Distress)
- 3
- 2
- 1
- 0 (Least Distress)

City of Dallas only	Number of Units	Percent of Total Units
Units With Distress Index 4 (Most Distress)	16333	85%
Units With Distress Index 3	1736	9%
Units With Distress Index 2	415	2%
Units With Distress Index 1	370	2%
Units With Distress Index 0 (Least Distress)	468	2%
Total Units	19322	

*The Community Development Financial Institutions (CDFI) Fund, a division of the United States Department of the Treasury, created the Distress Index to objectively measure distress at the census tract level. The measures are: poverty rates, median household income, and unemployment rates.

Dallas Crime Hot Spots and City of Dallas Low Income Housing Tax Credit Properties



Crime Hot Spots are the zones where a person is most likely to be victimized by crime. Hot spot outlines were generated by The Dallas Morning News and the Dallas Police Department's Strategic Deployment Bureau, and they appeared in a TDMN article on October 7, 2011.

Low Income Housing Tax Credit Properties

- With Year Approved

Crime Hot Spots

City of Dallas

All City of Dallas Units	19322
Units in Crime Hot Spots	8748
Percent of Units in Crime Hot Spots	45%