

Essential Workers Bearing The Brunt Of Dallas' Lack Of Affordable Housing

[Dallas-Fort Worth Affordable Housing](#)

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Once touted for its cost advantage, the city of Dallas is grappling with an affordability crisis impacting residents at nearly every income level.

As demand continues to outpace supply and developers reckon with rising costs, the price of housing has gone up, and a wider range of residents are struggling to make ends meet.

“Your entry-level police officer can’t live in the city where they work. Your teachers can’t live in the city where they teach your children,” [Bank of America](#) Senior Vice President [Valerie Williams](#) said at a June 21 luncheon hosted by the Dallas chapter of the [Commercial Real Estate Women](#) Network. “It’s up to us to make a difference and to stop looking at the numbers and put faces to these people.”



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Dynamic Commercial Real Estate's Kim Parker, Dallas Housing Finance Corp.'s Marcy Helfand, Shackelford, Bowen, McKinley & Norton's Kara Hargrove, Bank of America's Valerie Williams and Palladium Management Co.'s Maria Leiva

The median rent in May for a studio to two-bedroom apartment was \$2,112, an increase of 10% year-over-year, according to data from the Dallas Housing Finance Corp.

That rate requires an income of \$7K per month or \$84K per year for a person not to be considered rent-burdened — a metric defined by spending 30% or more of monthly income on rent. With a median household income of just over \$58K and per capita income of \$37.7K, [according to the U.S. Census Bureau](#), that's out of reach for many Dallas residents.

Enter the need for workforce housing, which caters to middle-income earners, or those who make between 81% and 120% of area median income, Dallas HFC President [Marcy Helfand](#) said. That translates to a local salary of between \$59K and \$75K per year, depending on household size.

Renters in the low end of that range could afford an apartment that rents for \$1,476 per month, though that is increasingly hard to find in the Metroplex,

Helfand said. Just over 10,000 apartments rent for below \$1,500 a month, a Dallas Observer [report](#) found, with an average size of around 805 SF.

Without market-rate rents to cover the cost of construction, affordable housing developers often look to low-income housing tax credits to help fill the funding gap. But the program is extremely competitive and carries a steep price tag, Williams said, with the application process alone costing between \$150K and \$300K.

“There’s just not enough of these tax credits or tax exemptions to go around,” said Kim Parker, president and CEO of [Dynamic Commercial Real Estate](#). “That leads to a lot of people saying, ‘Well, I’ll just stick with market-rate housing.’”

The lack of affordable supply [threatens North Texas’ ability](#) to attract out-of-state business, Parker said. Brokers have a vested interest in pushing back on the groundswell of anti-development sentiment that has stunted efforts to put more supply on the ground, she added.

“You need to be insisting that these cities allow for affordable housing to come in, because businesses coming from California and wherever else want their workers to be close by,” Parker said. “It’s only going to help you get your leases in, your businesses in, if they have housing.”

One popular misconception is that affordable housing has a negative impact on property values. In most cases, the opposite is true, Williams said. Several studies have [debunked that myth](#), including one from [The Urban Institute](#) that found affordable housing has a positive — if not net zero — impact on property values.

“That’s a total misnomer,” she said. “People are lying to you when they say that.”

A state version of the federal low-income housing tax credit program was passed in this year’s [legislative session](#). This should pave the way for more affordable and workforce units, which will have numerous benefits, including increased public safety and a stronger economy.

“The city will suffer if people can’t live here,” Helfand said.

Contact Olivia Lueckemeyer at olivia.lueckemeyer@bisnow.com