

# Growing burden of Dallas-Fort Worth rents: How do black, white, Hispanic residents compare?

Yesterday



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Black and Hispanic Dallas residents have to spend more of their incomes to find a median-priced apartment than their white and Asian counterparts, according to a new study from the home listings site Zillow.

Dallas-Fort Worth African-Americans — whose median household income was about \$47,000 in 2017, Zillow reported — could only afford 17.5 percent of rentals listed on the agency's website that year without spending more than

30 percent of their pre-tax income. The U.S. Department of Housing and Urban Development considers people who spend more than that amount on housing to be "cost-burdened."

Hispanic residents don't fare much better, the [study](#) says. Only 22.3 percent of rentals were available to D-FW Hispanics not wanting to spend more than 30 percent of their median household income, which Zillow reported was \$49,751 in 2017.

White renters, on the other hand, can afford 78.5 percent of rentals without spending more than 30 percent of their income, according to the study, which used data from rental units listed on Zillow at any point in 2017, including some "income-restricted" affordable housing.

The study highlights how one of the nation's fastest growing real estate markets is leaving some sections of the metro population behind, creating a widening gulf in a region where the [minority population](#) is growing at a rapid clip.

"If the market were balanced, you would expect it to be about 50 percent [of rentals available to people on the median income]," said Aaron Terrazas, Zillow's economic research director. "There are wide disparities across racial and ethnic groups."

The share of affordable (below 30 percent of annual income) rentals available to the median Dallas resident and median black Dallas resident is slightly greater than at the national level — 41.9 percent of rentals for all Americans and 16.2 percent for black Americans. The region's Hispanic residents are worse off than their national counterparts, who can afford 27.3 percent available rentals.

It's far from the first study to highlight Dallas' income and racial disparities, and the ever-increasing cost of housing is an important part of that equation.

"[Rent growth](#) has outpaced income growth for all groups, but it's worse for those with lower incomes," Terrazas said.

As in many cities, [redlining](#) in the early part of the 20th century prevented poor residents of color from securing home loans and other financial services in many neighborhoods, experts say. The legacy of that practice has calcified into the literal and socioeconomic divide between north and south Dallas.

Homes in areas that were redlined in the 1930s are [worth half](#) as much today as homes elsewhere in the city, according to an earlier Zillow analysis. Residents in the southern half of the city have lower median credit scores, which limit their access to housing. A blockbuster Center for Public Policy Priorities [report released in April](#) found that Dallasites in poor, largely majority-minority neighborhoods, had higher mortality rates, longer commutes and less access to education.

While racial disparity in rental affordability is a real problem, the Zillow numbers are admittedly a little overzealous, said Tim Bray, director of University of Texas at Dallas' Institute for Urban Policy Research.

He pointed to the Census Bureau's 2016 micro-sample [data](#) for Dallas-Fort Worth, which found that the median gross rent as a portion of income is 28 percent, meaning that "one half of households pay 28 percent or more of their income for gross rent; one half pays 28 percent or less," he said.

The figure drops to 26 percent for white residents and 21 percent for Asians. For Hispanic renters, it climbs to 29 percent and for African-American residents 30 percent.

Zillow, on the other hand, found that the median share of income whites needed to afford the median-priced rental was 23.2 percent, 40.2 percent for black residents and 37.9 percent for Hispanics.

"Half of white families can move almost everywhere they want, and half of

black families are constrained to one out of five rental units," Bray said. "The story for a white household is where can't you move. The story for a black or Hispanic household is the opposite."

The story is one of a lack of diversity in housing inventory. Experts say that growth in rental and single-family home stock is mostly in higher price points, despite the overall growth in multifamily construction.

"A lot of that was that at the higher end of the market, cause that's where you get lending," said Owen Wilson-Chavez, senior analytics manager at [BuildingCommunityWorkshop](#), a Texas nonprofit that specializes in sustainable urban development. "That's made it harder, because lower price unit production has stalled, and we've lost units in that time."

A report BCW published in May found that most construction permits for multifamily housing over the past several years were issued for projects in wealthier, whiter neighborhoods in Dallas. Meanwhile, the volume of rentals on the market at \$300-\$600 a month has plummeted, and growth in the amount of rentals going for \$600-\$900 a month has stalled and is close to slipping below 0 percent.

And developers aren't building townhomes and condos that can satisfy those without the capital to buy, Wilson-Chavez said.

Builders understand that there's pent-up demand in lower price buckets. But the rapid economic growth in the northern part of the city and the bureaucracy that comes with accepting vouchers or building government-subsidized housing have meant lower appetites to build rentals for lower-income Dallasites.

"Nobody [in the development community] is looking for solutions without getting a handout," said Monte Anderson, owner of [Options Real Estate](#), which focuses on small-scale developments and business incubators in south Dallas and southern Dallas County. "Most of the business community and

most of the politicians think that there needs to be a subsidy."

But historically, many Dallas landlords haven't [accepted](#) vouchers, though the affordable housing plan that the city passed earlier this year hopes to change that. The city needs at least 20,000 more affordable housing units, according to the plan.

In 2015, Dallas-Fort Worth had 330,000 people who were making less than 50 percent of the area's median income and were thus eligible for HUD-assistance but were not receiving such assistance, according to census data.

The Dallas City Council also [voted](#) in its last meeting to change zoning code to allow accessory dwelling units, colloquially known as "granny units" — detached dwellings in the back of single-family homes that homeowners can rent out.

Anderson said one solution is using down-payment loans to encourage small-scale development from community members who can serve as landlords over a handful of units rather than profit-driven corporate developers with looser ties to the areas in which they're building. Job-readiness and mentorship programs that "teach people capitalism and ownership" can help to this end, Anderson said.

But it's impossible to have conversations about access to affordable housing without also addressing income mobility and the cost of being poor.

"The black community, our community, is not a walkable community," said Tennell Atkins, who represents Dallas' District 8 on the City Council. "You can live there, but you can't earn your money there."

As such, poorer residents devote much of their paychecks to the costs of commuting to areas with employment and amenities, Atkins said. The city needs not only to add jobs but also improve transit in the southern sector, especially near the International Inland Port of Dallas, a southern Dallas area

where several employers have set up manufacturing facilities with high-paying jobs, he said.

Traditionally, policymakers discuss housing in terms of supply and demand, not social welfare. And some economists and business leaders bristle at the thought of regulations like rent control and inclusionary zoning.

But the conversation needs to shift, Bray, of UT Dallas, said.

"The public has to understand the role of affordable housing, of workforce housing," he said. "If mom doesn't have to miss work because Junior has asthma [from living in substandard housing], that increases everybody's bottom line."