



CITY OF DALLAS

HOME IMPROVEMENT & PRESERVATION PROGRAM

PROGRAM INFORMATION

HOME IMPROVEMENT AND PRESERVATION PROGRAM(HIPP)

Purpose and Overview

The City of Dallas provides a repair and rehabilitation program for single-family, owner-occupied housing units. The Home Improvement and Preservation Program (HIPP) offers qualified homeowners two different ways to improve their homes through a forgivable loan or low-interest loan based on the program the homeowner selects. HIPP is designed to finance home improvements and address health, safety, accessibility modification, reconstruction and structural/deferred maintenance deficiencies. HIPP enables homeowners to improve their housing while creating a positive effect in the community.

Major Rehabilitation Forgivable Loan Program (Rehab Program): available to low- and moderate-income homeowners needing up to \$50,000 in home rehabilitation. Program is administered by the City.

Housing Reconstruction Loan Program (Reconstruction Program): available to low- and moderate-income homeowners where the necessary home repairs exceed the limits of the Rehab Program or where the home is structurally unsound. The City will determine, in its sole discretion, whether a homeowner is eligible for a total-home reconstruction.

Program Limits And Operation

Major Rehabilitation Program

The maximum assistance amount provided is up to \$50,000 in the form of a forgivable loan. The City loan is secured by a first or second lien on the property. The affordability period for the Rehab Program is ten (10) years.

Eligible Repairs:

- Correction of code violations and elimination of specific conditions detrimental to public health and safety
- Correction of incipient violations of the City of Dallas Building Code
- Cost effective energy conservation measures, including solar heating, cooling and water systems permanently affixed to the home
- Testing and treatment/removal of lead-based paint/asbestos hazards
- Accessibility repairs and installation
- Removal of termites; removal of rodents and roaches (may not be a stand-alone cost)
- Replace/repair roofing
- Replace/repair HVAC systems
- Replace/repair plumbing/sewer pipes/kitchen and bath fixtures
- Replace/repair window and/or door screens
- Install new smoke alarms
- Install new insulation
- Replace/repair flooring and carpeting
- Replace/repair water heaters
- Replace/repair electrical system and installation of ground fault circuit interrupters
- Replace/repair windows
- Replace/repair plaster, siding and stucco
- Painting (inside and outside)
- Install new deadbolt locks
- Replace/repair kitchen or bath cabinets and countertops
- Replace/repair garage doors
- Structural repairs/modifications (only to correct existing structural code deficiencies or to provide accessibility to disabled persons)
- Foundation repairs
- Any items determined eligible by the Director

Housing Reconstruction Program

Homeowners do not apply for the Reconstruction Program. Instead, a homeowner will be referred into the program if the homeowner applies for the Rehab Program and, after an inspection, the City determines, in its sole discretion, that the necessary home repairs exceed the limits of the Rehab Program or that the home is structurally unsound. If a homeowner participates in the Reconstruction Program, the existing home will be demolished and a replacement home will be rebuilt on the same site.

The maximum assistance provided under this program shall not exceed seventy five percent (75%) of the HUD HOME Value Limits for new construction and is in the form a loan. The City loan is secured by a first or second lien on the property. Homeowners with existing mortgages do not qualify for this program. Homeowners must be willing to relocate at their own expense. The affordability period for the program is fifteen (15) years.

Based on the household's income, the following loan terms apply:

1. Households with incomes at or below sixty percent (60%) AMFI will receive a deferred, zero percent (0%) interest loan. Thus, the homeowner will not be required to make payments during the term of the loan.
2. Households with incomes at eighty-one to one hundred twenty percent (81%-120%) AMFI will have a three percent interest (3%) loan with a monthly installment payment as determined through the City's underwriting. Thus, all homeowners will be required to make a monthly loan payment.
3. Households with incomes at sixty-one to eighty percent (61%-80%) AMFI will have a combination of a deferred, zero percent interest (0%) loan and a monthly installment payment plan as determined through the City's underwriting. Thus, most homeowners will be required to make a small monthly loan payment.

Repayment of Rehabilitation and Reconstruction Loans

Homeowners may repay their loan at any time without penalty.

Loans are immediately payable upon the earlier of:

1. The sale, conveyance, transfer, rental, hypothecation of the security; or
2. If the home is vacated during the term of the loan; or
3. Failure to adhere to the provisions of the loan agreements; or
4. Failure to adhere to the provisions under the City's deed restrictions, deed of trust and/or the note.

Loans are not assumable except under the following circumstances:

1. Transfer of the property to a surviving spouse; or
2. Transfer of the property to an heir(s); or
3. Transfer of the property where a spouse becomes the sole owner of the property; or
4. Transfer of the property resulting from a decree of dissolution of marriage, legal separation or from incidental property settlement agreement; or
5. Transfer to a Family Trust in which the borrower remains the beneficiary and occupant of property.
6. All transfers must be approved by the City, and, if the affordability period applies, the person assuming the loan must income qualify and occupy the property as their primary residence.

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Household & Property Eligibility

Property Ownership: The homeowner must have clear title to the property. The homeowner must have owned the home for at least six (6) months before applying for assistance.

Primary Residence: The property must be the homeowner's primary residence.

Property Taxes and Liens: The homeowner must not be delinquent in the payment of property taxes for the property or must have an active, non-delinquent payment plan with the county tax office. The homeowner may not have any liens on the property, except those associated with a first mortgage (Rehab and Reconstruction Programs only).

Location of the Home: The home for which the homeowner is seeking repairs must be located within city limits of Dallas, Texas.

Insurance: The homeowner must demonstrate that he or she has, or can obtain, standard property insurance satisfactory to the City and will maintain adequate property insurance for the term of the loan. If the property is in the 100-year flood plain as determined by FEMA flood control map data, the homeowner must demonstrate that he or she has, or can obtain, flood insurance satisfactory to the City and will maintain adequate flood insurance for the term of the loan. (Rehab and Reconstruction Programs only).

Previous Assistance: If the homeowner previously received assistance through a City home repair program, and the affordability period has not expired, the homeowner is not eligible for assistance. (Rehab and Reconstruction Programs only.) Priority for all Programs will be given to homeowners who have never participated in a City home repair program. Homes that have been reconstructed by the City will not be eligible for further assistance.

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Application Process and Required Documents

The applications for all HIPP programs will be made available as funds and program capacity allows. When funds are available, the application will be made available online at www.dallascityhall.com.

The homeowner will be required to provide the following documents before an application will be considered "submitted":

Homeowner(s) must supply:

- Application form fully filled-out and signed by the homeowner
- Current mortgage statement
- Copy of deed

All household members must supply:

- Driver's license or state identification card
- Birth certificate for minors only (and permanent resident card, if applicable)
- Social security card for all household members
- One (1) month of most recent paycheck stubs (all wage earners)
- Two (2) years of most recent federal tax returns (only if you are self-employed)
- Current pension/annuity letter
- Current social security/disability award letter
- One (1) most recent checking/savings bank statements, including ALL pages for each account
- Divorce decree or death certificate (if applicable)
- School registration (for children attending college & who reside in the home when not at school)
- Court ordered child support statement (if applicable)

*Before allowing repairs to be started, the City will also complete an environmental review in compliance with 24 C.F.R. Part 58.5.

**The homeowner and household members may also be required to submit additional documentation so that City underwriters can determine the household's debt load.