

# Memorandum



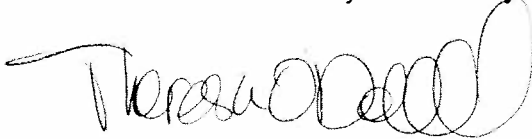
DATE November 1, 2013

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT City of Dallas' Home Repair Programs

On Monday November 4, 2013, you will be briefed on the City of Dallas' Home Repair Programs. A copy of the briefing is attached.

Please let me know if you have any questions.



Theresa O'Donnell  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# The City of Dallas' Home Repair Programs

A Briefing To The  
Housing Committee  
November 4, 2013

Housing/Community Services  
Department



# Purpose

- Provide an update of the City of Dallas' Home Repair Programs
- Propose guidelines for the Emergency Repair Program
- Propose amendments to the Home Repair Reconstruction Program

# Specific Programs

- Major Systems Repair Program (MSRP)
- Home Repair – South Dallas/Fair Park
- Home Reconstruction Program
- People Helping People Program
- Emergency Repair Program

# Major Systems Repair Program (MSRP)

- Provides up to \$17,500 as a deferred loan for major systems repairs from the following: electrical, plumbing, HVAC and roof, performed by certified contractors
  - The budget for FY2013-2014 is \$1,533,761
  - The goal for FY13-14 is to serve 115 homeowners
  - Served 145 homeowners in FY12-13
  - The loan is forgiven over a 5 year term



# Major Systems Repair Program Eligibility Criteria

- Property must be located in the Dallas City limits
- Proof of ownership and occupancy for a minimum of two (2) consecutive years, unless in the NIP area where residency requirement is six (6) months
- Proof of citizenship
- Proof of household size
- Proof of income at or below 80% AMFI
- Proof of insurance
- Taxes must be current
- No liens allowed other than current mortgage
- Cost of repairs can not exceed \$17,500

# Home Repair – South Dallas/Fair Park (SDFP)

- Provides up to \$8,000 as a deferred loan for major systems repairs for low income and elderly homeowners in the SDFP community.
- Major system repairs may include: electrical, plumbing, roof and HVAC
  - The budget for FY13-14 is \$50,000
  - The goal for FY13-14 is to serve 6 homeowners
  - Served 6 homeowners in FY12-13
  - Persons in this area are also eligible for the regular MSRP program
  - The loan is forgiven over a (5) year term



# Home Repair – South Dallas/Fair Park Eligibility Criteria

- Property must be located in the South Dallas Fair Park area
- Proof of ownership and occupancy for a minimum of two (2) consecutive years unless in the NIP area where residency requirement is six (6) months
- Proof of citizenship
- Proof of household size
- Proof of income at or below 80% AMFI
- Proof of insurance
- Taxes must be current
- No liens allowed other than current mortgage



# Reconstruction Program

- Provides up to \$103,000 as a deferred payment loan for demolition costs of structures beyond repair and on-site reconstruction of a new home
  - The budget for FY13-14 is \$937,326
  - The goal for FY13-14 is to serve 9 homeowners
  - Served 17 homeowners in FY12-13
  - New homes meet energy codes and requirements
  - Loan term is indefinite with one assumption allowed for a qualified heir to the property
    - Payoff calculation is \$103,000 or 75% of the market value of the land and improvements as determined by Dallas Central Appraisal District



# Home Reconstruction Program Eligibility Criteria

- Similar to MSRP Program
- Applicants must be sixty-two (62) years of age or older or disabled
- Maximum Area Median Family Income (AMFI) at 80% for applicants based on the number of persons in the household
- Taxes must be current
- No liens allowed on the property
- At least three (3) major systems out of four (electrical, plumbing, HVAC and roof) and foundation must fail or the condition of the home creates an imminent danger to the life, health, and/or safety of the residents or the neighborhood
- Annually set-aside 10% of funds to be used to assist persons younger than sixty-two (62) or without a disability, yet meeting all other loan criteria

# People Helping People Program

- Provides up to \$5,000 as a grant in materials and supplies for minor *exterior* repairs and other specialty repairs utilizing volunteer services
  - Services include:
    - Repairing and painting the exterior of homes
    - Air conditioner installation and heater repair service
    - Window glass replacement
    - Installing ramps and handrails
    - Pest extermination
    - Caseworkers also provide advocacy services
  - The budget for FY 13-14 is \$841,000
  - The goal for FY13-14 is to provide 300 exterior repair and specialty services
  - Provided 302 services in FY 12-13



# People Helping People Program Eligibility

- Property must be located in the Dallas City limits
- Proof of ownership and occupancy for a minimum of two (2) consecutive years, unless in the NIP area where residency requirement is six (6) months
- Proof of identity
- Must be 62 years or older or disabled
- Proof of household size
- Proof of income at or below 50% AMFI (NIP area income up to 80%)
- Scope of work must be appropriate for volunteer service
- Current on all property taxes

# Emergency Repair Program

- Definition:

A living situation which calls for immediate action to protect the health or safety of the occupants and the possible spread of threatening conditions to the neighborhood
- Recommended Repairs:
  - sewer lines
  - gas lines
  - water lines and/or water damage
  - water heaters
  - roof
  - electrical systems
  - air conditioning & heaters (seasonal)
  - ADA Renovations-ramps, toilets, grab bars, and other vital accessibility needs

# Emergency Repair Program

- The Emergency Repair Program would provide up to \$7,500 as a grant for the defined emergencies
- The budget for FY13-14 is \$290,000
- The goal for FY13-14 would be 53 homeowners served (based on an average cost of \$5,500)
- There would be a close collaboration with the Community Council of Greater Dallas- Office of Area Aging to allow for referrals and assistance for clients already being served through case management efforts



# Emergency Repair Program Eligibility Criteria

- Residential property must be located in the Dallas City limits
- Proof of ownership and occupancy
- Picture ID and Social Security card
- Seniors (60 and older) and or disabled
- Proof of income at or below 80% AMFI

# Reconstruction Loan Term Changes

- Challenges with indefinite loan terms:
  - Useful life of the property and deed restrictions
  - Costs associated with:
    - compliance reviews over the life of the property
    - mediating between heirs for assumption of the asset and the loan
    - issuance of default and possible foreclosure
    - Vacant property, deterioration, break-ins, etc...
  - Complicated payoff calculations and challenges to appraised values



# Recommendations

- Establish the Emergency Repair Program as described
  - Allow for a Memorandum of Agreement to be executed with Community Council of Greater Dallas-Office of Area Aging for referrals and emergency repairs
- Change Home Reconstruction loan terms:
  - Assistance provided as a twenty-year forgivable loan
  - Allow income eligible heirs to assume the loan upon the homeowner's death
  - If heir is not income eligible, allow the lien to be paid off for the unamortized balance
  - Allow the City Manager, or a designee, to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements

# Next Steps

- City Council consideration on December 11, 2013 for:
  - Establishment of the Emergency Home Repair Program with a Program Statement
  - A Memorandum of Agreement between the City of Dallas and Community Council of Greater Dallas to allow for referrals and emergency assistance to clients that are already being served through case management
- Provide information to all senior service providers, 211, 311, and other possible referral agents