

**KEY FOCUS AREA:** Clean, Healthy Environment  
**AGENDA DATE:** April 8, 2015  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 670-3297  
**MAPSCO:** N/A

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**SUBJECT**

Authorize (1) the acceptance of additional grant funds from the Dallas Housing Finance Corporation (DHFC) for the purpose of providing warranty home repairs for low-income qualified families under the Home Repair Program; and (2) an increase in appropriations in the amount of \$40,000, from \$413,272 to \$453,272 for warranty home repairs - Not to exceed \$40,000 - Financing: Dallas Housing Finance Corporation Grant Funds

**BACKGROUND**

The City created the Dallas Housing Finance Corporation (DHFC) in April of 1984 to provide financing for affordable single-family home ownership and multifamily rehabilitation and development within the City.

Periodically the DHFC makes funds available for additional affordable housing purposes. In 2004, the DHFC voted to provide \$27,300 to the City of Dallas to continue to provide low-income and moderate-income elderly and/or disabled homeowners with minor home repair services. The City accepted the funding and appropriated it for those services.

In June 2006, the Dallas Housing Finance Corporation voted to provide \$100,000 to the Home Repair Program for necessary and emergency home repair services for low-income families.

In December 2011, the DHFC voted to provide \$100,000 to the Home Repair Program for necessary warranty repair services for low-income families.

The City's Home Repair Program receives and processes applications on a first come - first serve basis given available grant funding. Currently, there is minimal available funding for income-eligible homeowners facing minor home warranty repairs.

## **BACKGROUND (continued)**

This resolution authorizes the City of Dallas to accept \$40,000 from the Dallas Housing Finance Corporation (DHFC) 2014-2015 Fiscal Year for warranty home repairs; authorizes the Chief Financial Officer to deposit the funds and disburse the funds; and authorizes the City Manager to appropriate the funds for warranty repairs to improve the program's ability to stabilize viable older housing stock and prioritize limited federal funding received to assist low to moderate income families with necessary warranty repairs, including health and safety issues. This additional source of funds will also provide assistance to applicants who do not qualify for the Home Repair Program the opportunity to obtain limited assistance.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On October 28, 1998, the City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program, by Resolution No. 98-3157.

On August 23, 2000, the City Council authorized approval of the program statement for the Home Improvement Loan Program, by Resolution No. 00-2656.

On June 27, 2001, the City Council authorized approval of a program statement for the Home Repair Program, by Resolution No. 01-2049.

On August 14, 2002, the City Council authorized the Program Statement for the Home Repair Program, by Resolution No. 02-2272.

On October 23, 2002, the City Council authorized the Program Statement for the Home Repair Program, by Resolution No. 02-3047.

On May 26, 2004, the City Council accepted \$27,300 from the Dallas Housing Finance Corporation, by Resolution No. 04-1725.

On February 14, 2007, the City Council accepted \$100,000 from the Dallas Housing Finance Corporation, by Resolution No. 07-0521.

On December 10, 2008, the City Council accepted \$125,000 from the Dallas Housing Finance Corporation, by Resolution No. 08-3342.

On February 22, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 12-0551.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (continued)**

On September 12, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 12-2251.

On April 24, 2013, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation, by Resolution No. 13-0701.

**FISCAL INFORMATION**

Dallas Housing Finance Corporation Grant Funds - \$40,000

April 8, 2015

**WHEREAS**, the City has previously accepted Dallas Housing Finance Corporation funds to provide Dallas low-income and moderate-income elderly and/or disabled homeowners with minor repair services; and

**WHEREAS**, on May 26, 2004, the City Council accepted \$27,300 from the Dallas Housing Finance Corporation by Resolution No. 04-1725; and

**WHEREAS**, on February 14, 2007, the City Council accepted \$100,000 from the Dallas Housing Finance Corporation by Resolution No. 07-0521; and

**WHEREAS**, on December 10, 2008, the City Council accepted \$125,000 from the Dallas Housing Finance Corporation by Resolution No. 08-3342; and

**WHEREAS**, on February 22, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 12-0551; and

**WHEREAS**, on September 12, 2012, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 12-2251; and

**WHEREAS**, on April 24, 2013, the City Council accepted \$50,000 from the Dallas Housing Finance Corporation for the purpose of providing warranty repair services for low income families under the Home Repair Program by Resolution No. 13-0701; and

**WHEREAS**, the Dallas Housing Finance Corporation has voted to provide \$40,000 funding to the City of Dallas to provide warranty home repair services to low-income homeowners; and

**WHEREAS**, the City Council desires to offer health and safety solutions for low-income homeowners with warranty repair services; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City of Dallas accepts \$40,000 from the Dallas Housing Finance Corporation for the purpose of funding warranty repair services for low-income families under the Home Repair Program.

**Section 2.** That the Chief Financial Officer is authorized to deposit funds in an amount not to exceed \$40,000 into Fund 0319, Agency HOU, Unit 9815, Revenue Source 8411.

April 8, 2015

**Section 3.** That the City Manager is authorized to increase appropriations in the amount of \$40,000 from \$413,272 to \$453,272 in Fund 0319, Agency HOU, Unit 9815, OBJ 3099.

**Section 4.** That the Chief Financial Officer is authorized to disburse these funds under the Home Repair Program as follows: Fund 0319, Agency HOU, Unit 9815, OBJ 3099.

**Section 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**KEY FOCUS AREA:** Clean, Healthy Environment  
**AGENDA DATE:** April 8, 2015  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 670-3297  
**MAPSCO:** N/A

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**SUBJECT**

Authorize modifications to the Home Repair Program for the MSRP Program Statement to: (1) increase the dollar amount of assistance from \$17,500 to \$20,000; and (2) decrease Assistance Type Two from \$7,500 to \$5,000 - Financing: No cost consideration to the City

**BACKGROUND**

On September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465.

**FISCAL INFORMATION**

No cost consideration to the City

April 8, 2015

**WHEREAS**, on September 22, 2010, City Council authorized modifications to the Home Repair Program for the MSRP Program Statement to increase the dollar amount of assistance from \$15,000 to \$17,500, by Resolution No. 10-2465; and

**WHEREAS**, the City now desires to adopt modifications to the Home Repair Program for MSRP Program Statement attached as Exhibit A; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Council authorizes modifications to the Home Repair Program for the MSRP Program Statement to (1) increase the dollar amount of assistance from \$17,500 to \$20,000; and (2) decrease Assistance Type Two from \$7,500 to \$5,000, and still meet all other criteria as shown on attached Exhibit A effective upon adoption of this resolution.

**SECTION 2.** That the City Manager is authorized to administer the Major Systems Repair Program Statement.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**EXHIBIT A**  
**MAJOR SYSTEMS REPAIR PROGRAM (MSRP)**

**PROGRAM STATEMENT**

**Program Purpose:**

To provide 1) repairs and/or replacement of major systems in their homes; 2) repairs to major systems that have been determined to be an immediate threat to the life, health, or safety of the resident(s); 3) "interim controls" of lead based paint when applicable; and 4) reconstruction of single-family homes on the homeowner's lot subject to City Council approval. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof.

To provide an interest free self-amortizing forgivable loan with a five (5) year lien term for a maximum of ~~\$17,500~~ \$20,000 for basic systems repairs or replacements to qualified applicants who reside in single-family, owner-occupied structures and to provide replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s)

**Assistance Type One:**

Repair or replacement of major systems not to exceed a maximum of ~~\$17,500~~ \$20,000 will be provided to qualified applicants. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof; to allow further eligibility for homeowners who received prior assistance provided that ten (10) years have passed since the first assistance and the new assistance is not for the same repair type.

**Assistance Type Two:**

Repair or replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s) will be provided to qualified applicants. Assistance provided for the repair or replacement of a system is limited to one (1) occurrence and applicant must meet all Level I household eligibility, excepting the number of liens referenced in Level I eligibility, and Level II property eligibility. Additional costs to repair or replace a system under Assistance Type Two will be provided as a grant up to ~~\$7,500~~ \$5,000.



**General Conditions:**

A two-level application review will be conducted and both levels, household eligibility and property eligibility, must be approved to qualify applicant for Assistance Type One and Assistance Type Two.

Level I review requires applicants to provide necessary proof to document the following:

- Identity
- Citizenship or legal residency
- Current property taxes
- Ownership and occupancy of property for a minimum of two (2) consecutive years, unless safety and/or health conditions have forced applicant to evacuate within past 24 months of application
- Income 80% or less, based on number of persons in household, as defined by the Department of Housing and Urban Development's annual income figures
- Property insurance
- Property contains no more than one active, current lien and may have no forced liens or judgment against the property

**Level II property eligibility, requires the following conditions to be met:**

- The scope of system repair or replacement work needed on a property will no longer be limited to two (2) systems
- The cost estimate of the systems repair or replacement cannot exceed ~~\$17,500~~ \$20,000
- Planning and development review to meet city and federal guidelines
- Environmental reviews to meet city and federal funding guidelines

**Conditions that eliminate an applicant from receiving assistance:**

- Household eligibility criteria and/or inspection eligibility not approved
- Repairs that exceed ~~\$17,500~~ \$20,000
- Repair costs exceeding 50% of the appraised Dallas County Appraisal District value of a property that lies within a 100-year floodplain
- Property that lies within a designated Airport Runway Clear Zone
- New assistance for the same repair type previously assisted

**Loan Terms**

- Interest free loans will be secured by a promissory note and deed of trust with a five (5) year lien
- The note and lien shall be released after five (5) years if the borrower occupies the property continuously for five (5) years or upon repayment of the note
- Loan payments are self-amortized over the loan term and forgiven monthly at the rate of 1/60 of the loan amount if the borrower occupies the property continuously for the entire five (5) year loan term

- Should property change ownership or occupancy during the loan term, the loan becomes due and payable for the amount equal to the balance of the unamortized loan unless a loan assumption is under consideration. Loan assumptions will be reviewed on a case by case basis. Loan assumptions applicants must meet all Level I household eligibility except ownership and occupancy requirements.
- Refinancing of existing loans with cash to homeowners will not be permitted
- Contract Certification
- A list of certified Major Systems Repair Program contractors will be made available to applicants. The applicant must either select a contractor from the list or recommend a contractor of their choosing for certification by the Housing Department that meets the certification requirements for the Home Repair, SHARE, and Replacement programs.

### **Lead-Based Paint**

In conjunction with the system(s) repair or replacement, if lead-based paint interim controls are required in accordance with the Department of Housing and Urban Development (HUD) regulations, the cost of said lead-based paint controls may be included in the ~~\$17,500~~ \$20,000 initial scope of work.

### **Program Administration**

The City Manager, or his/her designee, is authorized to establish guidelines and procedures to administer this program in accordance with the Program Statement and applicable Federal and local regulations.

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** April 8, 2015  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 670-3297  
**MAPSCO:** 47J

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### **SUBJECT**

Authorize a public hearing to be held on May 13, 2015 to receive comments on the proposed sale of one unimproved property (list attached) acquired by the taxing authorities from the Sheriff to East Dallas Community Organization, a qualified non-profit organization, under the HB110 process of the City's Land Transfer Program and the release of the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any - Financing: No cost consideration to the City

### **BACKGROUND**

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must to be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records. Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

**BACKGROUND (continued)**

East Dallas Community Organization (EDCO) submitted a proposal to construct one (1) single-family home containing approximately 1,350 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$105,000 to \$110,000 with construction to begin in June 2015.

This item calls for a public hearing on May 13, 2015, at 1:00 PM in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, to allow the public an opportunity to comment on the proposed sale of the one unimproved property to EDCO. At the close of the public hearing, the City Council will be asked to authorize the sale of the property to EDCO by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

This item has no prior action.

**FISCAL INFORMATION**

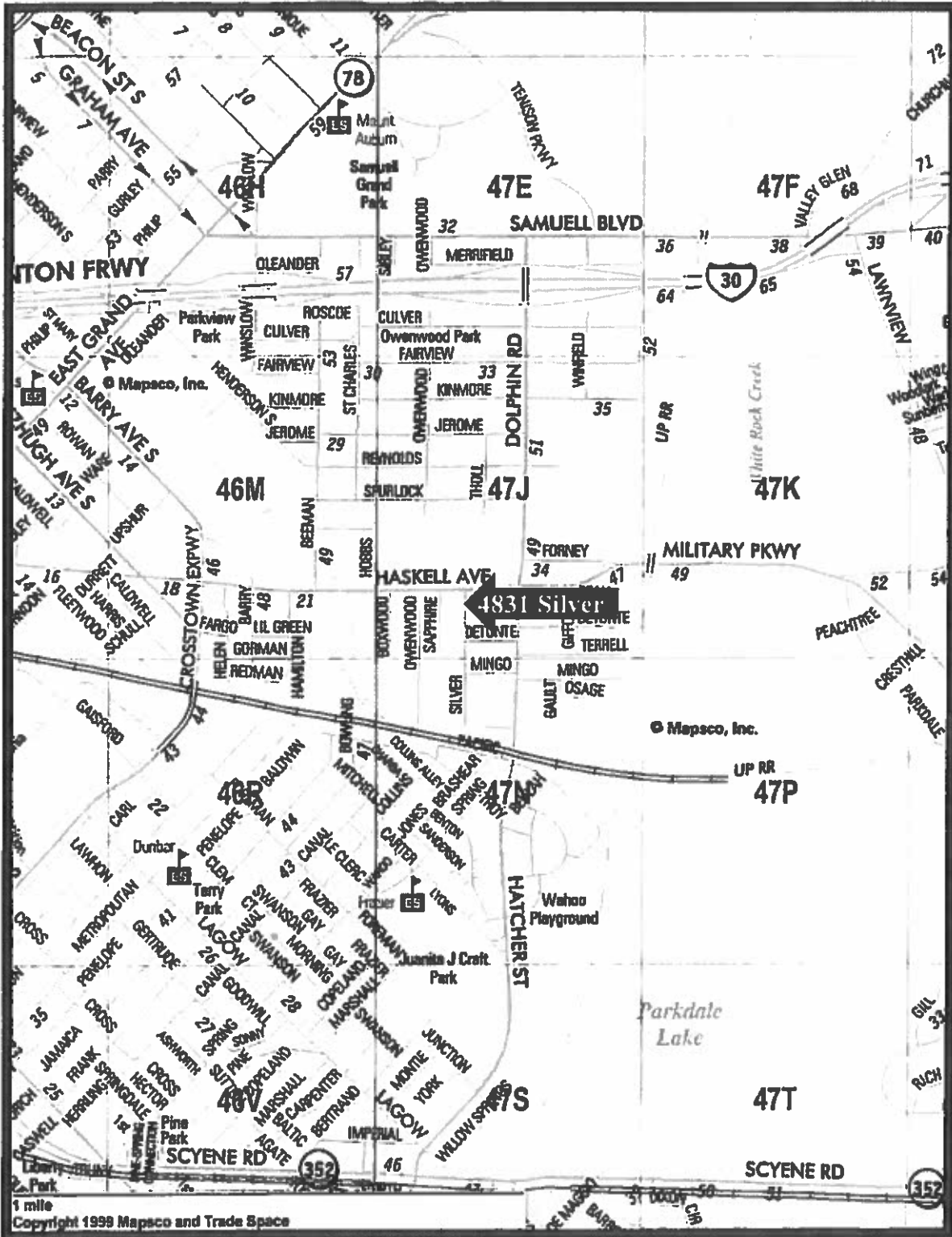
No cost consideration to the City

**MAP**

Attached

**Tax Foreclosure and Seizure Property Resale**

<b><u>Parcel No.</u></b>	<b><u>Address</u></b>	<b><u>Non-Profit Organization</u></b>	<b><u>Mapsco</u></b>	<b><u>DCAD Amount</u></b>	<b><u>Sale Amount</u></b>	<b><u>Vac/ Imp</u></b>	<b><u>Zoning</u></b>
1.	4831 Silver	East Dallas Community Organization	47J	\$5,850	\$1,000.00	V	R-5(A)



**MAPSCO 47J**

April 8, 2015

**WHEREAS**, the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

**WHEREAS**, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

**WHEREAS**, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

**WHEREAS**, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

**WHEREAS**, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

**WHEREAS**, East Dallas Community Organization (EDCO) submitted a proposal to construct one (1) single-family home containing approximately 1,350 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$105,000 to \$110,000 with construction to begin in June 2015; and

**WHEREAS**, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

April 8, 2015

**Section 1.** That the public hearing shall be held at 1:00 p.m. on May 13, 2015 in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, at which time any interested person may appear and speak for or against the proposed sale by quitclaim deed of one (1) unimproved property, identified on Exhibit A, acquired by the taxing authorities from the Sheriff to EDCO, a qualified non-profit organization, in accordance with the HB 110 process of the City's Land Transfer Program.

**Section 2.** That at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing shall be placed on the property, notification of the public hearing shall be mailed to property owners within 200 feet of the property, and notice of the public hearing shall be published in the Dallas Morning News.

**Section 3.** That this resolution shall take effect immediately from and after its passage, in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



**EXHIBIT A**

**Tax Foreclosure Property Sale**

<b><u>Parcel No.</u></b>	<b><u>Address</u></b>	<b><u>Mapsco</u></b>	<b><u>Non-Profit Organization</u></b>	<b><u>Sale Amount</u></b>	<b><u>Council District</u></b>
1.	4831 Silver	47J	East Dallas Community Organization	\$1,000.00	7