

# Memorandum



CITY OF DALLAS

DATE October 28, 2022

TO Honorable Mayor and Members of the City Council

SUBJECT **HUD Ft. Worth Monitoring Findings Closure Letter on the HOME Investment Partnership Program Monitoring Report #M-20-MC-48-0203**

Attached for your review is the HOME Investment Partnerships (HOME) Program Findings Closure letter from the U.S. Department of Housing and Urban Development (HUD) for the remote monitoring conducted on July 25-August 5, 2022. As detailed in the letter, all findings are closed.

The highlighted findings/concerns include:

- Beneficiary Written Agreements—clarifying terms of the affordability provisions.
- Records Retention—review and approval of the City’s policy.
- Identification of Federal Grant Awards—adjustments to City accounts that specify source of funds.
- Missing Signature Dates on Beneficiary Agreement—update internal controls to ensure executed documents have complete signatures and dates.
- Differences in Recorded Expenditures between IDIS and the City’s Accounting System AMS—City must justify the differences.
- Organization Chart—City must show actual lines of responsibility for HUD awards.

These findings are now closed, and the concerns are being addressed.

For additional details please contact David Noguera, Director of the Department of Housing & Neighborhood Revitalization at [David.Noguera@dallas.gov](mailto:David.Noguera@dallas.gov) or 214-670-3619.

A handwritten signature in blue ink, appearing to read 'Majed A. Al-Ghafry'.

Majed A. Al-Ghafry, P.E.  
Assistant City Manager

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager  
Jon Fortune, Deputy City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Carl Simpson, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
Fort Worth Regional Office, Region VI  
Office of Community Planning and Development  
307 W. 7<sup>th</sup> Street, Suite 1000  
Fort Worth, TX 76102  
www.hud.gov

September 29, 2022

T.C. Broadnax, City Manager  
City of Dallas  
1500 Marilla, 4EN  
Dallas, TX 75201

Sent via email to:

- Chan Williams - [chan.williams@dallascityhall.com](mailto:chan.williams@dallascityhall.com)
- Cynthia Rogers-Ellickson - [cynthia.rogersellic@dallascityhall.com](mailto:cynthia.rogersellic@dallascityhall.com)

Dear Mr. Broadnax:

SUBJECT: HOME Investment Partnerships (HOME) Program Findings Closure  
Grant Number: M-20-MC-48-0203  
Notification of Fiscal Year 2022 Remote Monitoring  
Dates: July 25 – August 5, 2022

Our office conducted a remote monitoring of the above referenced HOME grant (M-20-MC-48-0203) from July 25 – August 5, 2022. The final report was issued August 29, 2022, and it contained three findings of non-compliance. A finding of non-compliance is a deficiency in program performance based on a violation of a statutory or regulatory requirement. Specific corrective actions to address the noncompliance were identified in the report for each finding.

We have reviewed the corrective actions and responses the City of Dallas submitted on September 23, 2022, to address each finding. This letter will summarize each of the findings and corrective actions taken by City of Dallas. Based on City of Dallas corrective actions and responses, we were able to close all findings.

**Finding #1: Beneficiary written agreement:**

City of Dallas Homebuyer Assistance Program Written Agreement, period of affordability, in Section 3 – Affordability Period, starts at date the homebuyer purchases the property, the Sale Date, instead of after project completion. In addition, under the Section 9 of agreement - Refinancing, it states that “Refinancing for a better rate and term may be allowed upon prior approval of the City, in the City sole discretion of the City.” The language in this section is not clear to the beneficiary under which scenario a refinancing request will be approved.

**Corrective Action: To address this deficiency, the grantee is requested to take the following actions:**

The recipient is requested to take the following action within 30 days from the date of this report: The City is requested to provide revised homebuyer written agreement for HUD CPD Fort Worth Office for review and approval. This new written agreement should incorporate an affordability period that starts after project completion and incorporate clear language about the approval of refinancing.

**Corrective Action Taken by Dallas:**

The City has attached revised HOME written agreements for Dallas Homebuyer Assistance Program (DHAP) that (a) on page two (2) Section three (3) includes appropriate affordability language per HUD regulation 24 CFR 92.254; and (b) on page four (4) includes clearly defined language for refinancing per HUD's guidance. The attached checklist includes review of predatory lending as advised by HUD.

**Status:** This finding is **closed** based on the corrective actions taken by City of Dallas.

**Finding #2: Records Retention**

The City policies and procedure do not incorporate HOME specific record retention requirements outlined in 24 CFR 92.508(c).

**Corrective Actions: To address this deficiency, the grantee is requested to take the following actions:**

The recipient is requested to take the following action within 30 days from the date of this report: The City is requested to provide revised HOME policies and procedures that incorporate all of items outlined in 24 CFR 92.508(c) for HUD CPD Fort Worth office review and approval.

**Corrective Action Taken by Dallas:**

The City has attached for your review the HOME records retention policy referenced under 24 CFR 508 (c) that was drafted in 2019. On page 8, the policy includes all items referenced in the citation.

**Status:** This finding is **closed** based on the corrective actions taken by City of Dallas.

**Finding #3: Identification of Federal and HUD Grant Awards**

The City failed to provide a chart of accounts listing CFDA number, Federal award identification number and year, and HUD as the name of the Federal awarding agency for HOME account reviewed

**Corrective Actions: To address this deficiency, the grantee is requested to take the following actions:**

The recipient is requested to take the following action within 30 days from the date of this report: The City is requested to provide the Fort Worth CPD Field Office a proposal to properly identify in its accounts all Federal awards, including HOME grant funds, received and expended and the Federal programs under which they were received. The system must identify, as applicable, the Assistance Listings (formerly CFDA) title and

number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any

**Response by City of Dallas:**

When the City of Dallas receives a grant award, an agenda item for City's Council Resolution is prepared for approval at a City Council meeting. The Federal program and Federal award identification in the Council Resolution includes the assistance listings title and number, Federal award identification number and year, name of the Federal agency, and the name of the pass-through entity, if any. The City has a policy to create a new fund for each new grant. Budget and Management Services creates the new fund number for the Council Resolution, and the City Controller's Office sets up the new fund in the Advantage financial system as part of the chart of accounts. The new fund in the accounts in the financial system provides a description that references the Council Resolution number that contains all the information required per CFR 2 200.302 (b) (1).

**Status:** This finding is **closed** based on the response and documentation submitted by City of Dallas.

If there are any questions, please contact Matthew Palmer, Financial Analyst at [matthew.palmer@hud.gov](mailto:matthew.palmer@hud.gov) or Jerry Jensen, Program Manager at [gerald.r.jensen@hud.gov](mailto:gerald.r.jensen@hud.gov).

Sincerely,



Shirley J. Henley, Director  
Office of Community Planning and  
Development