

Memorandum



CITY OF DALLAS

DATE February 28, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Agenda Item for April 22, 2020 City Council meeting regarding Amendments to the City of Dallas Comprehensive Housing Policy (CHP)**

On Monday, February 24, 2020, staff briefed the Housing and Homelessness Solutions Council Committee on amendments to the Comprehensive Housing Policy. This memorandum serves as an overview to an upcoming City Council Agenda Item regarding proposed changes to the Comprehensive Housing Policy (CHP).

Home Improvement and Preservation Program (HIPP)

Minor Home Repair-

Removal of the 1:1 match requirement for the partnering nonprofit and to reduce the overall city funding to \$5,000.00 per home.

Major Rehabilitation Program-

Add the homeownership requirement of at least 6 months; change the loan to forgivable rather than repayable; and adjust the affordability period from various years to 10 years. The loan will be forgivable at 1/10 for each year of occupancy.

Housing Reconstruction Program-

Add the homeownership requirement of at least 6 months, change the loan to forgivable rather than repayable; and adjust the affordability period from 20 years to 15 years. The loan will be forgivable at 1/15 for each year of occupancy.

Dallas Homebuyer Assistance Program (DHAP)

Occupancy Standards-

Removal of the Occupancy Standards requiring two persons per bedroom. Currently the policy requires that there must be one bedroom for every two household members.

Back-End Ratio-

Adjust the Back-End Ratio from 43% to 45% to meet industry standards and allow the applicant to have disposable income.

Loan to Value Ratios-

Remove the loan-to-value Ratios, as the ratios no longer impact the loan from being over subsidized with program caps at \$40,000 and \$60,000.

Homebuyer Incentive Program-

Removal of home purchases in targeted areas and removal of the owner occupancy requirement of 10 years. Adjusting the incentive program to offer a funding incentive of up to \$45,000 for the targeted occupations listed in the policy.

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Development Programs

Loan Terms-

Clarification added that the City loan 'may be' repayable as opposed to 'must be' repayable. This change allows for the underwriter to dictate reasonableness in proceeds.

Community Housing Development Organization (CHDO) Proceeds-

At present, the CHP makes mention of CHDO Proceeds but does not specifically spell out that CHDOs working with the City may retain CHDO Proceeds. As such, this section of the CHP has been clarified to allow for CHDOs to request to maintain CHDO proceeds from development projects. The CHDO and the City must approve a plan for the use of CHDO proceeds in the development agreement. Use of CHDO proceeds is limited to the HOME-eligible activities or other affordable housing activities benefiting low and moderate-income families.

Request for Application-

Document has been updated to include 'Request for Application' language in addition to the Notice of Funding Availability (NOFA) process. This change allows the City to establish multiple additional mechanisms to review and fund affordable housing developments.

Competitive Bidding-

Language has been clarified to indicate that all costs submitted by developers are subject to a 'cost-reasonableness' analysis.

Targeted Home Repair

Add the Targeted Rehab Program (TRP), which provides home repairs for targeted areas in the city limits of Dallas.

This item is scheduled for consideration and possible action for April 22, 2020 City Council Agenda

Should you have any questions, please contact David Noguera, Director of Housing & Neighborhood Revitalization, at (214) 671-5257 or David.Noguera@dallascityhall.com



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Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager

Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Laila Aleqresh, Chief Innovation Officer
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors