

**CITY OF DALLAS NSP**

**Table of Contents**

---

**Neighborhood Stabilization Program (NSP)**

**Application (SF 424)**

**Budget Pages** A-1 thru A-3

**NSP Substantial Amendment** B-1 thru B-16

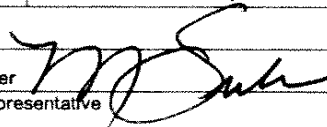
**Certification** B-17 thru B-18

**NSP Checklist** B-19 thru B-22

**APPLICATION FOR FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Pre-application Construction <input type="checkbox"/> Construction Non-Construction <input checked="" type="checkbox"/> Non-Construction		<b>2. DATE SUBMITTED</b> 12-01-2008	Applicant Identifier
		<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<b>5. APPLICANT INFORMATION</b>			
Legal Name: City of Dallas		Organizational Unit: Department: Housing	
Organizational DUNS: 17-277-3405		Division:	
<b>Address:</b> Street: 1500 Marilla Street, Room 6 D North City: Dallas County: Dallas State: Texas Zip Code: 75201 Country:		<b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b> Prefix: Mr. First Name: Jerry Middle Name: Last Name: Killingsworth Suffix:	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> 75-6000508		Email: jerry.killingsworth@dallascityhall.com Phone Number (give area code): 214-670-5988 Fax Number (give area code): 214-670-0156	
<b>8. TYPE OF APPLICATION:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify):		<b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types) C Other (specify):	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> 14-218		<b>9. NAME OF FEDERAL AGENCY:</b> Federal Mediation and Conciliation Service	
Title (Name of Program): Labor Management Cooperation Program		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b> City of Dallas Neighborhood Stabilization Program will provide: Acquisition, Demolition, and Redevelopment of Foreclosed or Abandoned Properties (ADR) as well as Acquisition, Rehabilitation, and Sell or Rent of Foreclosed Properties (ARSR)	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b> City of Dallas		<b>14. CONGRESSIONAL DISTRICTS OF:</b> a. Applicant: 3, 5, 6 and 24 b. Project:	
<b>13. PROPOSED PROJECT</b> Start Date: 12-1-2008 Ending Date: 12-1-2018		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b> a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
<b>15. ESTIMATED FUNDING:</b>		<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b> <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
a. Federal	\$ 7,932,555		
b. Applicant	\$		
c. State	\$		
d. Local	\$		
e. Other	\$		
f. Program Income	\$		
g. TOTAL	\$ 7,932,555		
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>			
<b>a. Authorized Representative</b>			
Prefix: Ms.	First Name: Mary	Middle Name: K.	
Last Name: Suhm	Signature of Authorized Representative: 		Suffix:
b. Title: City Manager	c. Telephone Number (give area code): 214-670-3296		e. Date Signed: 12-01-2008

Previous Edition Usable  
Authorized for Local Reproduction

Standard Form 424 (Rev. 9-2003)  
Prescribed by OMB Circular A-102

**City of Dallas  
 Program Year 2008  
 Consolidated Plan Listing of Projects (Table 3C)**

**Jurisdiction's Name:** City of Dallas, Texas

**Priority Need:** Affordable Housing

**Project Title:** Acquisition, Demolition, and Redevelopment of Foreclosed or Abandoned Properties (ADR)

**Description:** This program will be operated by the City of Dallas Housing Department to establish a land bank for homes that have been foreclosed upon, identified as blighted structures, or abandoned. Land banked properties will be made available for redevelopment to nonprofit and for profit entities for sale or rent to families at 120% or below of Area Median Family Income (AMFI). Via request for Proposal (RFP).

**Objective category:** Decent Housing

**Outcome category:** Sustainability

**Location/Target Area:**

1500 Marilla Street, Room 6DN, Dallas, 75201 (214) 670-3601

<b>Objective Number</b>	<b>Project ID</b>
DH-3	0001
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>
14A	570.202
<b>Type of Recipient</b>	<b>CDBG National Objective</b>
Private	570.208(a)(3) LMH
<b>Start Date</b>	<b>Completion Date</b>
12/1/2008	11/30/2018
<b>Performance Indicator</b>	<b>Annual Units</b>
Housing Units	
<b>Local ID</b>	<b>Units Upon Completion</b>
N/A	

The primary purpose of the project is to help:

**Funding Sources**

<b>CDBG/NSP</b>	2,500,000
ESG	
HOME	
HOPWA	
<b>Total Formula</b>	<b>2,500,000</b>
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
<b>Total</b>	<b>2,500,000</b>

**City of Dallas  
Program Year 2008  
Consolidated Plan Listing of Projects (Table 3C)**

**Jurisdiction's Name:** City of Dallas, Texas

**Priority Need:** Affordable Housing

**Project Title:** Acquisition, Rehabilitation, and Sell or Rent of Foreclosed Properties (ARSR)

**Description:** This program will provide non-profit and for-profit entities loans for the purchase and rehabilitation of foreclosed homes and residential properties for sale or rent to families at 120% or below of (AMFI). Via Request for Proposal (RFP).

**Objective category:** Decent Housing

**Outcome category:** Sustainability

**Location/Target Area:**

1500 Marilla Street, 6DN, Dallas, 75201 (214) 670-3601

<b>Objective Number</b>	<b>Project ID</b>
DH-3	0002
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>
14A	570.202
<b>Type of Recipient</b>	<b>CDBG National Objective</b>
Private	570.208(a)(3) LMH
<b>Start Date</b>	<b>Completion Date</b>
12/1/2008	9/30/2018
<b>Performance Indicator</b>	<b>Annual Units</b>
Housing Units	
<b>Local ID</b>	<b>Units Upon Completion</b>
N/A	

The primary purpose of the project is to help:

**Funding Sources**

<b>CDBG/NSP</b>	4,639,300
ESG	
HOME	
HOPWA	
<b>Total Formula</b>	<b>4,639,300</b>
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
<b>Total</b>	<b>4,639,300</b>

**City of Dallas  
 Program Year 2008  
 Consolidated Plan Listing of Projects (Table 3C)**

**Jurisdiction's Name:** City of Dallas, Texas

**Priority Need:** Planning Program/Oversight

**Project Title:** Neighborhood Stabilization Program-Management Support

**Description:** The City of Dallas will provide program administration for planning, implementation, oversight, reporting, and evaluation of the projects funded under NSP.

**Objective category:** N/A

**Outcome category:** N/A

**Location/Target Area:**

1500 Marilla Street, Room 6DN, Dallas, 75201 (214) 670-3601

<b>Objective Number</b>	<b>Project ID</b>
N/A	0003
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>
21A	570.206
<b>Type of Recipient</b>	<b>CDBG National Objective</b>
Local Government	N/A
<b>Start Date</b>	<b>Completion Date</b>
12/1/2008	9/30/2018
<b>Performance Indicator</b>	<b>Annual Units</b>
N/A	N/A
<b>Local ID</b>	<b>Units Upon Completion</b>
N/A	

**Funding Sources**

CDBG/NSP	793,255
ESG	
HOME	
HOPWA	
Total Formula	<b>793,255</b>
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
<b>Total</b>	<b>793,255</b>

The primary purpose of the project is to help:

# **THE NSP SUBSTANTIAL AMENDMENT**

Jurisdiction(s): City of Dallas, TX , 75201	NSP Contact Person: Mark G. Obeso
Jurisdiction Web Address: www.dallascityhall.com	Address: 1500 Marilla St., Ste. 6DN, City Hall, Dallas, TX 75201
	Telephone: (214) 670-3601
	Fax: (214) 670- 0156
	Email: mark.obeso@dallascityhall.com

## **A. AREAS OF GREATEST NEED**

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

### Response:

The City of Dallas has identified 10 geographic areas of the city as "Areas of Greatest Need" for its 2008 Neighborhood Stabilization Program (NSP). The 10 areas chosen are generally south of Interstate 30 from south Oak Cliff along Loop 12 to Pleasant Grove and north of the Interstate 20 Corridor. These areas represent the highest concentration of foreclosures in the city for the period of January 1, 2008 through October 31, 2008, and range from high of 165 foreclosures to a minimum of 97 for each of 10 MAPSCO pages selected.

The City has experienced approximately 3,100 foreclosures in the past 10 months, as reported by the George Roddy Foreclosure Listing Service (FLC), which reports local filings and foreclosed homes that have been auctioned off. It is expected that Dallas will continue to see an increase in foreclosures, according to the analysis completed by the Local Initiative Support Corporation (LISC) as reported by the Foreclosure Response project for October 2008. The 10 selected geographic areas were compared to each of the respective reports and coincide with both the greatest need in terms of the concentration and density of foreclosures and highest LISC Foreclosure Needs Score at the ZIP code level which compares sub prime, foreclosure and delinquency scores. (Table 1 Foreclosures by Council District and the attached map (Exhibit 1) that follows demonstrate a graphic view of the those areas of the city as reported by the Dallas Morning News article on September 19, 2008.)

City of Dallas used various data source during the past year to determine the Areas of Greatest Need (AGN), including Fannie Mae, North Texas Council of Governments, George Roddy FLC, LISC Report, and HUD data compiled from Federal Reserve, Postal Services and Mortgage Bankers Association made available to NSP Grantees.

**FORECLOSURES BY CITY COUNCIL DISTRICTS**  
**January – September 2008**

Council District	# of Foreclosures
1	137
2	99
3	292
4	331
5	432
6	65
7	310
8	404
9	181
10	107
11	80
12	25
13	124
14	200

According to the Federal Reserve Bank of Dallas, 75% of all sub prime loans were originated after 2003, which means the situation will be compounded over the next two years as interest rates on these sub prime loans are set to increase. Even if the sub prime foreclosure rate climbs to 10%, 90% of the homebuyers are still living in their homes. With City of Dallas averaging 275 – 315 foreclosures per month, over 3,784 foreclosures in 2007 and over 3,000 in the first 10 months of 2008, the AGN were significant and difficult to select, due to the major geographical sectors of the City.

Additionally, HUD reports (using the Mortgage Bankers Association National Delinquency Survey) that there has been an estimated 17,238 foreclosures in Dallas County for the period of January 1, 2007 to June 30, 2008, an 18-month period. Federal Reserve data through April 2008 demonstrates that the Dallas/Fort Worth-Arlington had an estimated 77,000 Subprime loans, that there were an estimated 12,000 seriously delinquent loans, and variable-rate loans as a share of all owner-occupied subprime mortgages in Dallas-Ft. Worth-Arlington was slightly higher than that in the state of Texas (52% versus 47%). Conclusions that were drawn from the Federal Reserve data, combined with the other data sources and analysis included in this section show the following significant conditions: (1) Dallas' 75217 ZIP Code experienced 350 foreclosures in 2008, (2) the heaviest concentration of foreclosed homes are south of Interstate 30, west to east and north of Interstate 20, and (3) the DFW-Arlington, specifically Dallas, can expect to have a much higher number of foreclosures than the rest of the state both in numbers and percentages.

Area of Greatest Need Clarification: The City of Dallas used the LISC report and the Roddy report to identify concentrations of foreclosures in Dallas. All foreclosures were plotted on a map of the city and "areas of greatest need" (AGN) were equated with MAPSCO pages. The City of Dallas felt that looking at the AGN by MAPSCO afforded the most specificity in truly defining need on a neighborhood level.

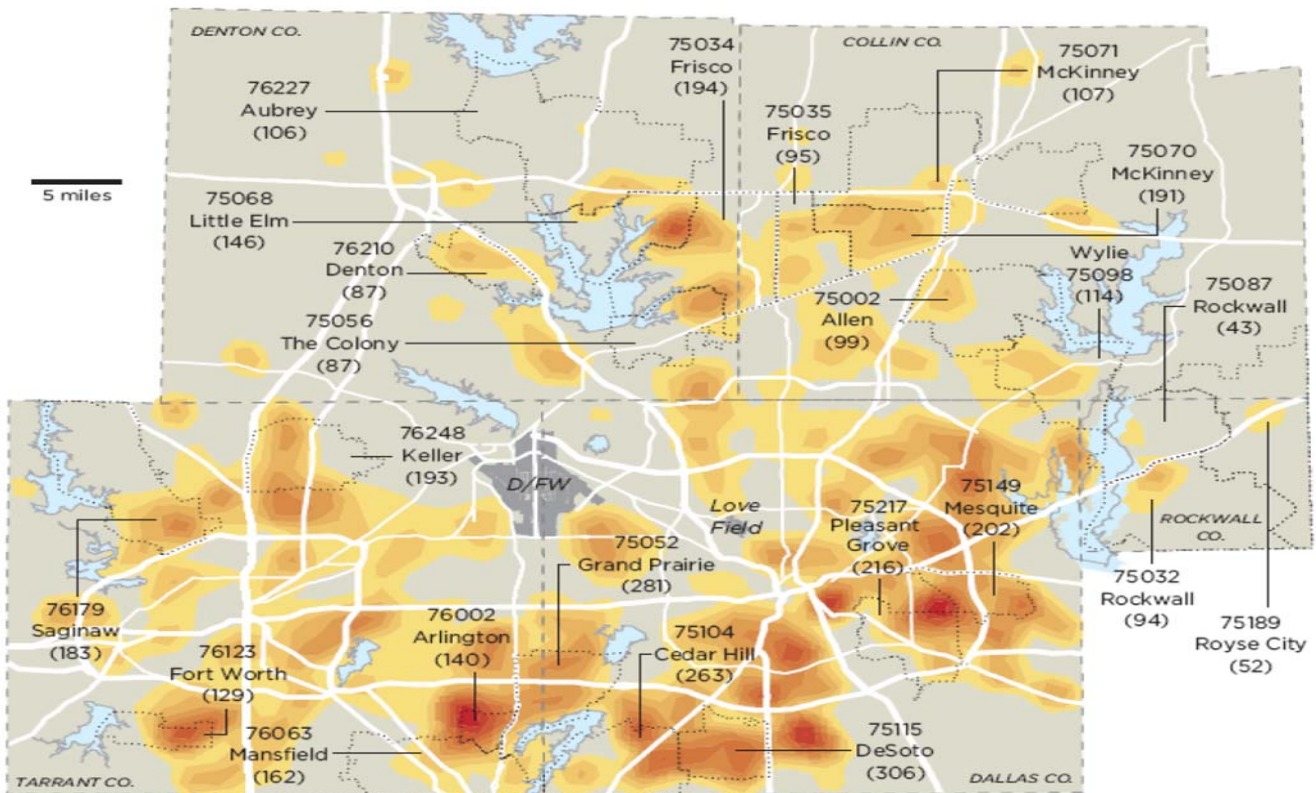
At the request of the Ft. Worth field office, the City of Dallas did list those zip codes which were in our identified MAPSCO pages and noted that the AGN might include **portions** of the various zip codes listed. The City is not representing that a zip code approach had or would

be taken in defining the AGN. The City of Dallas simply addressed the desire of the HUD office to see zip codes on our notice. If the Ft. Worth HUD office requires the City of Dallas to include: 75211, 75249, 75233, and 75237 as areas of high foreclosure rates in our notice, we will gladly do so.

Pursuant to Section 2301(c)(2) of the Housing and Economic Recovery Act of 2008 (HERA), Dallas NSP will concentrate available resources on areas: (1) with the greatest percentage of home foreclosures; (2) with the highest percentage of homes financed by subprime mortgage related loans; and (3) identified as likely to face a significant rise in the rate of home foreclosures.

### Hitting close to home

In the first six months of 2008, there were more than 11,000 foreclosures in Dallas-Fort Worth. We mapped the foreclosed houses and condos to show you where the concentrations are. This map shows the density — the darker the color, the more houses seized. Also shown are ZIP codes with the highest number of foreclosures in each county.



SOURCES: Foreclosure Listing Service; North Central Texas Council of Governments; ESRI; Dallas Morning News research

Source: Dallas Morning News 9/19/08

TOM SETZER/Staff Artist



Each sector was selected by MAPSCO page, which included ZIP codes and council district. MAPSCO page were selected because they represent the smallest areas in the foreclosure database, while Council District and U.S. Census Tracts were too broad in size or concentration of foreclosed homes. The MAPSCO pages selected contain portions of ZIP Codes identified by HUD as having the highest foreclosure rates, sub prime loans and delinquency scores in the city.

The City of Dallas approved the MAPSCO pages that included the highest number of foreclosure concentrations, corresponding Foreclosure Needs Score (FNS), as published by the LISC Foreclosure Response Project issued October 2008 (FNS with a score of 100 being the highest needs category) and corresponding ZIP Codes.

**AREAS OF GREATEST NEED  
January - September 2008**

No.	MAPSCO Page	# of Foreclosures	City Council Districts
1	65	161	8,5,4
2	59	151	8,5
3	46	135	7
4	55	132	4
5	54	127	3,4,1
6	56	127	4,5,7
7	64	124	5,8,4
8	58	102	5,8,4
9	66	100	8,5
10	48	90	7,4
<b>Total</b>		<b>1249</b>	

**Information Available for MAPSCO Pages**

- **65**: 161 foreclosures includes ZIP Code 75216 that has a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores), and 75241 with a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)
- **59**: 151 foreclosures includes ZIP Code 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency score), the highest in the City of Dallas; and 75227 that has a 52.6 FNS (49.9 Subprime, 45.7 foreclosure 53.3 delinquency scores)
- **46**: 145 foreclosures includes ZIP Codes 75215 with an 11.6 FNS; 75223 with a 2.3 FSN; 75210 with a 5.2 FSN; 75204 with a 1.1 FSN; 75214 with a 1.1; 75246 with a 1.1 FSN having the 3<sup>rd</sup> highest number of foreclosures
- **55**: 149 foreclosures includes ZIP Codes 75215 with a 11.6 FNS; 75203 with a 5.5 FNS; 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)

- **54:** 127 foreclosures includes ZIP 75208 with a 5.6 FNS and 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores)
- **56:** 127 foreclosures includes ZIP Codes 75215 with 11.6 FNS and 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)
- **64:** 124 foreclosures includes ZIP Codes 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores) and 75232 with a 39.1 (37.6 Subprime, 38.7 foreclosure and 37.6 delinquency scores)
- **58:** 102 foreclosures includes ZIP Codes 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores) and 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency score), the highest in the City of Dallas
- **66:** 100 foreclosures includes ZIP Codes 75216 with a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores) and 75241 with a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)
- **48:** 90 foreclosures includes ZIP Codes 75228 with a 20.8 FSN (24.1 Subprime, 12.4 foreclosure and 18.9 delinquency) and 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores)

### **Other City of Dallas Efforts**

The City of Dallas Housing Department has compiled a database that is accessible to the Department of Code Compliance, tracking foreclosure filings, completed foreclosures and is being used to monitor property conditions, allowing the City to continue identifying the AGN on a go-forward basis. The program tracks foreclosures for these areas and is updated on a monthly basis using the Foreclosure Listing Services. Additionally, the City Attorney's Office Community Prosecutors division and Code Compliance Division will work with Housing Department staff to identify and take action to acquire, demolish and land bank abandoned and blighted properties; specifically those pre-1978 properties that have LBP issues.

Data acquired through the Home Mortgage Disclosure Act (HMDA) will be used in conjunction with data published by the Dallas Federal Reserve and LISC to support the identification of Subprime and high-cost lending within the geographic areas identified as AGN, as well as the entire city. Dallas is and will continue working with Fannie Mae and other local lending institutions to negotiate discounts on foreclosed properties on a "bulk sales" basis, which will then be grouped for direct sales to successful and qualified contractors for rehabilitation and sale, rent or lease with option terms. Mortgage Banker Association data will also be use to determine Subprime, delinquency rates and high cost loans for consideration under this program.

NSP program activities combined with the City's existing Foreclosure Prevention Workshop (FPW) events, in partnership with the Dallas Housing Finance Corporation, North Texas Housing Coalition, Fannie Mae, Dallas HOPE Partnership, Acorn, and local lending institutions will continue to hold quarterly FPW events to address the escalating foreclosure

filings in the Dallas area, as we work to support the renegotiation and restructuring of problem loans through cooperative participation with lenders. These events allow lenders to be on-site and meet with borrowers to workout issue on their home mortgage loans. The August event sponsored by the City, Fannie Mae and NTHC reached 410 homeowners, 13 lenders and over 300 loans analyzed during the event; and the December 2008 event assisted over 160 homeowners with problem mortgages.

**B. DISTRIBUTION AND USES OF FUNDS**

Provide a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee’s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

**Fund Distribution:**

The City of Dallas will operate two programs designed only for those “AGN” (as defined in the previous section). The programs will target those areas within the MAPSCO pages of 46, 48, 54, 55, 56, 58, 59, 64, 65, and 66 which may include portions of the following zip codes: 75203, 75204, 75208, 75210, 75212, 75214, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75241, and 75246. These are the areas identified with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loans, and identified as likely to face a significant rise in the rate of home foreclosures.

Eligible Uses	Funds Allocated	Anticipated Housing Units
<b>Activity #1 Acquisition, Demolition, and Redevelopment of Foreclosed or Abandoned Properties (ADR)-</b> NSP Eligible Use (C)-Establish land banks for homes that have been foreclosed upon; and (D) Demolish blighted structures	\$2,500,000	50
<b>Activity #2 Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR)-</b> NSP Eligible Use (B)- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties	\$4,639,300	50
<b>Activity #3 Program Administration</b>	\$793,255	NA
<b>NSP Allocation</b>	<b>\$7,932,555</b>	

### NSP Request for Proposal Process:

The City of Dallas anticipates issuing a Request for Proposals (RFP) sometime in the January/February 2009 timeframe for each of the MAPSCO areas (or AGN). In the RFP, the City of Dallas will require that applicants provide addresses for a minimum of 10 properties to be acquired, rehabilitated, and rented or sold within the AGN. Any proposals submitted for properties outside of the AGN will not be considered.

With regard to the land bank, the staff will identify homes that fit the criteria of foreclosed or abandoned property within the AGN only. As those foreclosed upon properties are acquired and demolished, the land bank staff will group the land and provide notices to nonprofit and for profit groups who might be interested in redeveloping in the AGN areas, using the RFP process described above. NSP properties that are acquired will be managed separately from the existing vacant Land Bank properties.

### **C. DEFINITIONS AND DESCRIPTIONS**

(1) Definition of “blighted structure” in context of state or local law.

#### Response:

The City is using a local definition of blighted structure. In the context of the Chapter 27, Article I Section 27-1 of the Dallas City Code:

#### SEC.27-1. LEGISLATIVE FINDINGS OF FACT

There exists in the city of Dallas, Texas, structures used for human habitation and nonresidential purposes that are substandard in structure and maintenance. Furthermore, inadequate provision for light and air, insufficient protection against fire, lack of proper heating, insanitary conditions, and overcrowding constitute a menace to the health, safety, morals, welfare, and reasonable comfort of the citizens of the city of Dallas. The existence of such conditions will create slum and blighted areas requiring large scale clearance, if not remedied. Furthermore, in the absence of corrective measures, such areas will experience a deterioration of social values, a curtailment of investment, and tax revenue, and an impairment of economic values. The establishment and maintenance of minimum structural and environmental standards are essential to the prevention of blight and decay and the safeguarding of public health, safety, morals, and welfare. (Ord.Nos. 15198;19234)

Blighted property shall include residential or commercial structures that:

- are dilapidated, deteriorated, aged or obsolete
- are uninhabitable, unsafe, or unsanitary
- have inadequate provisions for ventilation, light, air, or sanitation
- are an imminent harm to life or other property by fire or other causes
- adversely affect the public health, safety, morals or welfare of the municipality and its residents

(1) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

In order to ensure that subrecipients are not limited in their ability to implement the NSP program, the NSP rental affordability requirements will be the same as the rent limitations for the City of Dallas’ HOME assisted projects with separate requirements for middle-income families between 81% - 120% of Area Median Family Income (AMFI).

The NSP rents to be charged for multi-family projects with 1 to 4 units will be the lesser of the fair market rent for existing housing for comparable units in the area, or a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 65% of the AMFI for the area, with adjustments for number of bedrooms in the unit.

The NSP rents to be charged for multi-family projects with 5 or more units will be the lesser of the fair market rent for existing housing for comparable units in the area, or a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 65% of the AMFI for the area, with adjustments for number of bedrooms in the unit for 80% of the units; and the remaining 20% of the units must be occupied by families whose annual income is 50% or below AMFI and the rent will not exceed 30% of 50% of the AMFI for the area, with adjustments for number of bedrooms in the unit. The rent for middle-income families will be 30% of gross income for multi-family projects of any size.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The City of Dallas has adopted the guidelines for affordability based on total investment and will assure affordability periods through deed restrictions of the properties involved. In the sale of City-owned, or land bank owned property to developers or homebuilders for rental to low-, moderate-, and middle-income (LMMH) families, the City will require that the property be deed restricted by the purchaser so that the rental units must be rented to LMMH families for the affordability periods in the rental housing section below. In the sale of City-owned, or land bank owned property to developers or homebuilders for resale to LMMH families; or in the financing of purchase or purchase with rehabilitation of property for resale to LMMH families, the City will require that the property be deed restricted by the purchaser so that the subsequent sale must be to a LMMH family. In the subsequent sale by the developer or homebuilder to the eligible family the property will deed restricted

for the affordability periods in the homeownership assistance section below.

### *RENTAL HOUSING*

For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds under \$15,000, the minimum period of affordability will be 5 years. For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds between \$15,000 and \$40,000, the minimum period of affordability will be 10 years. For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds over \$15,000 or for rehabilitation involving refinancing, the minimum period of affordability will be 15 years. For new construction or acquisition of newly constructed single or multi-family rental housing, the minimum period of affordability will be 20 years.

### *HOMEOWNERSHIP ASSISTANCE*

For homeownership assistance for single family housing whose family qualifies as a low-to-moderate income family and the housing is the principal residence of the family for the affordability period, the minimum period of affordability will be 5 years for a per unit amount of NSP homebuyer subsidy of under \$15,000. The minimum period of affordability will be 10 years for a per unit amount of NSP homebuyer subsidy of \$15,000 to \$40,000. The minimum period of affordability will be 15 years for a per unit amount of over \$40,000.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

#### Response:

The City of Dallas has adopted the International Residential Code for new residential construction and the locally written, HUD approved, and implemented, "Minimum Acceptable Property Standards" for housing rehabilitation.

The rehabilitation standards include:

- minimum standards for basic equipment and facilities for kitchens, bathrooms, hot water storage, connection to water and connection to sewer or septic system
- minimum structural standards for exits, stairways, balconies, handrails, floors, floor coverings, walls, ceilings, roofs, siding, soffit, and drainage
- minimum electrical standards for smoke detectors, outlets, and service
- heat and air conditioning standards
- energy conservation measures for insulation, weather-stripping, caulking, replacement of inefficient heating/cooling systems and replacement of single pane windows

The rehabilitation standards also include specifications for rehabilitation projects:

- sitework, concrete and masonry
- metals, wood and plastics
- thermal protection, moisture protection, doors and windows
- finishes, vents, fireplaces, toilet and bath accessories
- equipment, mechanical, plumbing
- electrical
- handicap and ADA

#### **D. LOW INCOME TARGETING**

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$\_\_\_\_\_.

**Note:** At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

#### Response:

The City of Dallas anticipates issuing a RFP sometime in the January/February 2009 timeframe for each of the MAPSCO areas (or AGN). In the RFP, the City of Dallas will require that applicants intend to make 25% of the proposed units available for rent or sale to persons at 50% of area median family income or below. With regard to the land bank, as properties are demolished, the land bank staff will group the land and provide notices to nonprofit and for profit groups who might be interested in redeveloping in the AGN areas. As those groups apply for land redevelopment, the City of Dallas will require that applicants intend to make 25% of the proposed units available for rent or sale to persons at 50% of area median family income or below.

Any proposals submitted which do not plan for the clients at 50% or below of AMFI at the minimum of 25% will not be funded. Once an RFP is approved, all applicants must execute contracts with the City of Dallas which will further enforce this provision.

A minimum of \$2,000,000 will be made available under the two activities noted above to benefit individuals or families whose incomes do not exceed 50 percent of area median family income.

#### **E. ACQUISITIONS & RELOCATION**

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e.,  $\leq 80\%$  of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e.,  $\leq 80\%$  of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e.,  $\leq 120\%$  of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

#### Response:

The City of Dallas anticipates that demolition in its NSP program will be limited to foreclosed, abandoned, blighted, and/or vacant properties which are unoccupied. The City of Dallas may demolish up to 50 units under the land bank portion of the

NSP program. The City of Dallas does not anticipate any other demolitions or conversions of property under its NSP program. While we understand that one-for-one replacement requirements have been waived, the City anticipates replacement of demolished units with newly constructed units for the same housing use. The City of Dallas anticipates leveraging NSP funds (which are limited) with other public and/or private money that will provide for construction funding for the Land Bank program. The City of Dallas will operate the NSP Land Bank program within the identified AGN.

Additionally, the City of Dallas does not plan to use eminent domain or allow for involuntary sales in its NSP program.

**F. ACTIVITY DESCRIPTION, Public Notices and PUBLIC COMMENT**

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

**Note:** proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction’s website for no less than 15 calendar days for public comment.

**NOTICE PROVIDED:**

**City of Dallas Amendment to the City’s Consolidated Plan for the use of Federal Funds under Title III of Division B of the Housing and Economic Recovery Act, 2008, Neighborhood Stabilization Program (NSP) Funds**

The NSP information was approved by City Council on November 19, 2008 to be submitted to HUD for Final approval on December 1, 2008.

In accordance with Federal Regulations, the City of Dallas is providing for public comment with regard to this amendment and intended use of funds. A copy of the proposed FY 2008-09 Consolidated Plan Reprogramming Budget #1 is available at all City of Dallas public libraries, the Community Development Office at 4FS Dallas City Hall, and the City of Dallas website link: [www.dallascityhall.com](http://www.dallascityhall.com)

On Wednesday, November 19, 2008 in the City Council Chamber at Dallas City Hall, 1500 Marilla Street, the Dallas City Council approved the adoption of FY 2008-09 Consolidated Plan Reprogramming Budget #1 to include Neighborhood Stabilization Program Funds of \$7,932,555 to be used in areas of greatest need, identified as MAPSCO pages 46, 48, 54, 55, 56, 58, 59, 64, 65, and 66 (which may include portions of the following zip codes: 75203, 75204, 75208, 75210, 75212, 75214, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75241, and 75246) as follows:

**Source of Funds:**

FY 08-09	Neighborhood Stabilization Program (NSP)	\$7,932,555
----------	--	-------------

**Use of Funds:**

FY 08-09	Acquisition, Demolition, and Redevelopment of Foreclosed or Abandoned Properties (ADR)	\$2,500,000
----------	--	-------------



This program will be operated by the City of Dallas Housing Department to establish a land bank for homes that have been foreclosed upon, identified as blighted structures, or abandoned. Land banked properties will be made available for redevelopment to nonprofit and for profit entities for sale or rent to families at 120% or below of Area Median Family Income (AMFI). Via Request for Proposal (RFP).

FY 08-09	Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR)	\$4,639,300
----------	--	-------------

This program will provide non-profit and for-profit entities loans for the purchase and rehabilitation of foreclosed homes and residential properties for sale or rent to families at 120% or below of (AMFI). Via Request for Proposal (RFP).

FY 08-09	Program Administration	\$793,255
----------	------------------------	-----------

The City of Dallas will provide program administration for planning, implementation, oversight, reporting, and evaluation of the projects funded under NSP.

NSP funding will benefit persons at 120% or below of AMFI. Twenty-five percent (25%) of the NSP funds will benefit persons at 50% or below of AMFI.

The comment period continues through December 1, 2008, the City will be accepting verbal/written comments on this reprogramming of funds. Citizens in the Dallas metropolitan area may submit written comments regarding the proposed use of funds on or before 10:00 am., December 1, 2008, to:

Budget and Management Services  
Community Development Division  
1500 Marilla- 4FS  
Dallas, Texas 75201

Individuals requiring alternative formats in the review of this document may also contact the Office of Financial Services, Community Development Division, TDD via Relay TX 1-800-735-2989. For further information, contact the City of Dallas, Office of Community Development Division at 214-670-4557.

The City of Dallas provided a summary of this NSP amendment via the local newspaper, the Dallas Morning News, on October 23, 2008 and again on November 15, 2008. The City of Dallas provided the full document via the internet on the City of Dallas website and through all public libraries in the city.

The following citizen comments were included in the NSP amendment and the City's responses follow in blue.

**Tonya Parker**  
**6103 White Rose Trail**  
**Dallas, Texas**

Where is the real bail-out? This only helps lenders and developers with projects in proximity to the homes and property they purchase with these funds. Where is the help for the folks losing their homes?

The City of Dallas also provides Foreclosure Prevention Workshops for Dallas residents who are experiencing issues with their mortgages. January 17, 2009 will be the next opportunity to receive assistance under this program, at the Dallas Convention Center from 9AM to 2PM.

**Reginald D. Hayes**  
**742 N. St. Augustine Road**  
**Dallas, Texas 75217**

A) Establish financing mechanism

This is very good. Credit qualifications should be easy to qualify for and the loans should be structured to encourage community residence favored access. Appraised repairs or development should be rolled into one loan and developers/owners should have payments deferred up to one year to assure strong tenant occupancy.

B) Purchase and rehabilitate homes

Individual participants should be given equal footing to acquire properties. Strong consideration should be given to residence.

C) Establish land banks

Very good option yet – individuals should have access to the banks in such a way to assure that the spirit of the program is kept. Community citizens should have help, those who live in the neighborhood a help.

D) Demolish blighted structures

As long as vacant lots are provided short term management to prevent crime and vandalism

E) Redevelop demolished or vacant properties

Very good – short term management services should be financed to manage structures until transition and disposal is complete. This is to prevent crime and vandalism.

It appears that these comments support the City of Dallas' plan for distribution of funds for the two programs.

**Enterprise Community Partners**

Their consensus is that the NSP is being developed as it moves forward and there is no blueprint for success because all communities have their own set of issues and conditions.

With that in mind, we think that the City's HUD application should:

- Be as flexible as we can be with all the allowable activities authorized by the NSP regulations. For example, allow for who ever acquires the foreclose properties to rehabilitate and either resell, rent or execute a lease with option to buy. The discounted purchase price and rehabilitation dollars are there and should be no problem, however, due to the limited number of qualified homebuyers in the market, the bank credit criteria that changes daily and existing supply of available housing, resale of the property may take longer than anticipated.
- Pursue projects, using existing vehicles that are proven to work, that will give Dallas successful results right away. HUD will be looking for immediate successes that can be replicated (such as an EHOP).
- Pursue acquisition programs that will leverage the greatest amount of match from participating entity, or the greatest mark-down by the lender of the REO property (maybe analyzing a six month period of time that would show what a bank will spend on each house for marketing, security, maintenance, holding the property, taxes, etc). The City's purchase discount could be the value assigned to bank's six month costs that would be expended on each property, because it may take six months to rehab and sell a property, maybe longer.
- Identify three different types of neighborhoods and properties (which was done in Atlanta), 1) a neighborhood that is in fairly good condition, with foreclosures that can be acquired, repaired with minimal expense and resold or rented out; 2) neighborhood that is in decline and has higher concentration of foreclosures, and which we could make a real difference if we were to focus on the acquisitions and rehabs; and 3) those neighborhoods that are in serious decline, disinvestment and the only acquisition might be vacant lots that can be held ten years for later development, because any other activity involving acquisition and rehabilitation would not show any visible results for the neighborhood area as a whole

The City of Dallas will be working with lenders to negotiate a discounted purchase price for nonprofit and for profit entities who have interest in presenting proposals under the NSP program. The City of Dallas will also allow for lease-purchase options within the NSP program to be flexible to the market conditions. It appears that these comments support the appropriation of funds as planned.

Just one other thought, I had which they were interested in:

- I mentioned that I was trying to figure out a way to capture those homeowners that had already been foreclosed upon, but they were gainfully employed at the time of their foreclosure. They may have had an ARM, or other subprime loan, bought more house than they could afford, and subsequently are not eligible for a home

mortgage. We discussed the options and came up with the lease with option to purchase once their credit was repaired and maybe with a credit enhancement with the lender.

**Marcos Rincon, Executive Director  
US Community Development Corp.  
100 N. Central Expressway, Suite 805  
Richardson, Texas 75080**

These are some of the issues we raised:

1. The re-sale of the property will be difficult without strong price incentives to be competitive.
2. The potential profit for a developer may not be adequate to offset the risk.
3. In order to sell, there must be access to lender products for the LMI customer.
4. Can these properties be sold to homebuyers without a social security number?
5. If the City is contributing 50% of the land cost, is this expected to be returned to the City?
6. There is a concern over flooding the neighborhood with many homes at one time.
7. A pipeline of qualified buyers must be generated in advance.

The City of Dallas will be working with lenders to negotiate a discounted purchase price for nonprofit and for profit entities who have interest in presenting proposals under the NSP program. The City of Dallas will also allow for lease-purchase options within the NSP program to be flexible to the market conditions. With each proposal, nonprofits and for profits may negotiate reasonable developer fees to offset risk. The City of Dallas will expect a return of investment of 50% of the acquisition cost upon the sale of each unit.

Local lenders continuously work with the City of Dallas in all of its homeownership programs to provide financing to low income clients. However, the City of Dallas has strict criteria with regard to citizenship, income, and debt ratios to prevent foreclosures. There are more than a dozen homebuyer counseling agencies that work with the City of Dallas to generate potential homebuyers for all of our nonprofit and for profit developers.

Finally, the City of Dallas believes that the need for affordable housing is too great and the resources too few to “flood” the current market.

**Diane Ragsdale, Managing Director  
ICDC  
4907 Spring Ave.  
Dallas, Texas**

The organized group of CHDO's submits the following recommendations listed in order of priority:

- 1 Restrict the use of funds to CHDOs.
- 2 Acquisition and rehab of existing foreclosures, blighted and abandoned properties
- 3 \$50,000 construction subsidy with the flexibility to owner finance
- 4 Any foreclosed lots and sub-division foreclosed parcels, including those which have been purchased by CHDOs through the Landbank, HB110 and surplus process.
- 5 Mortgage guarantee

In addition, the Housing Department should pursue additional funds from the State of Texas allocation.

The City of Dallas believes in cooperative partnerships with nonprofit and for profit entities. We believe the NSP program will be more effective and inclusive by affording opportunities to both types of entities. The City of Dallas will be working with lenders to negotiate a discounted purchase price for nonprofit and for profit entities who have interest in presenting proposals under the NSP program. However, NSP funds are limited and the City believes that leveraging of other funds public and/or private can provide for construction subsidies and mortgage guarantees as appropriate. Finally, the City has left the option open to support applications to the State of Texas from nonprofits and/or for profits.

**Norman Henry  
Builders of Hope**

We would like to have access to some of the funding. Maybe you can set aside funds for CHDOs in the NIP areas to acquire/rehab these homes. In addition, the funding should be flexible to buy abandoned vacant homes for redevelopment. We're in the process of buying foreclosures and have 35 abandoned homes under contract. Is vacant, abandoned foreclosure land available to purchase?

The City of Dallas believes in cooperative partnerships with nonprofit and for profit entities. We believe the NSP program will be more effective and inclusive by affording opportunities to both types of entities. Also, the City of Dallas has defined the areas of greatest need in terms of certain MAPSCO areas as opposed to other initiatives being undertaken. The City of Dallas will also allow for lease-purchase options within the NSP program to be flexible to the market conditions. It appears that these comments support the appropriation of funds as planned.

**Vincent Wimbish, Appraiser/Broker  
5504 Brentwood Stair Road  
Ft. Worth, Texas 76112**

## **HOUSING FORECLOSURE EXECUTIVE SUMMARY**

**PROBLEM:** The current real estate housing market, with its' significant foreclosures, has created a financial crisis for many municipalities, counties and taxing entities

across the country. This dilemma has strain the resources of budgets and other departments such as code and law enforcement. Yard maintenance, property upkeep, vandalism and criminal activity are all major elements of vacant and foreclosed properties.

**SOLUTION:** Utilize Community Block Grant (CBG) and HUD Home funds to purchase, renovate and maintain foreclosed properties within taxing entities jurisdiction.

**PLAN:** Seville-Metroplex Real Estate Group (S-MREG) is a full service real estate entity with over 33 years of experience in appraisal, brokerage and property management.

We are offering a turn-key acquisition to disposition, management and marketing service that turns foreclosures into a positive asset for the community and taxing entities involved. Our proposal is an effort to help stabilize, preserve and protect housing values during this economic downturn.

**SCOPE OF SERVICES:** Upon acquisition, we propose that the foreclosed asset is assigned to S-MREG and we would provide the following services within stated time lines.

<b>SERVICES</b>	<b>TURN TIME</b>
Initial inspection & re-key services	3-5 days
Yard maintenance & trash out	7 days
Valuation	7 days
Listing-Marketing (MLS, internet & signage)	2-3 days

Weekly inspections & Bi-monthly yard maintenance are provided while property remains vacant

\*A determination based on property's "as is" appraised value and supply/demand in that community, the asset will be marketed for sale or leased under an approved lease-purchase agreement.

**SALES PROGRAM:** Property will be listed in North Texas Real Estate Information Services (NTREIS) multiple listing service, marketed and sold for market value to an owner-occupant buyer.

**LEASE PROGRAM:** Property will be leased to a tenant who qualifies for a 1-3-year lease purchase program. The approval of the lease purchase program will be by lenders such as Bank of America, Wells Fargo, Chase, Countrywide Home Loans, Citigroup, etc.

The tenant will be required to take a series of Home ownership counseling courses that will be administered by an approved HUD counseling agency.

Attendance is mandatory and these counseling sessions that will be monthly, quarterly and semi-annually based on the lease term agreement. Tenants will also be

encouraged to open saving accounts at lenders' bank. Savings will be match by the lender and go toward down payment and closing cost.

REPAIRS/RENOVATIONS: Initial inspection will reveal minimum housing quality standards (HQS) repairs that are required to facilitate a loan or lease. If repair bid is below a minimum recommended amount of \$5,000, proceed with repairs.

Approval is required if repair bid is over the minimum recommended amount of \$5,000. If repair bid is denied, property will be marketed for sale to an owner-occupant utilizing a FHA 203-K loan.

**NOTE:** All foreclosed properties will be sold to owner-occupants.

These comments appear to be an idea for a request for funding. We believe the distribution and uses for NSP funds support these ideas.

**City's Non-Profit Partners at the NTCDA  
13 CDC and Non-Profit Organizations.**

- Builders of Hope: use the 50% of the NSP acquisition funds that the City invested in acquiring the foreclosed property to provide a deeper subsidy to homebuyers at 50% or below area median family income (AMFI)
- EDCO: Land bank (LB) should provide right of first refusal to CHDOs in the acquisition of NSP lots, similar to the existing LB
- Habitat: Flip the amounts allocated to LB and the Acquisition, Rehabilitation and Sell (ARS) programs so LB has the larger allocation
- Habitat/ICDC: acquisition of vacant properties is what serves the neighborhoods best (instead of acquisition of foreclosed or abandoned homes)
- NTCDC: motion made to recommend a 50/50% split for LB and ARS

The City of Dallas believes in cooperative partnerships with nonprofit and for profit entities. We believe the NSP program will be more effective and inclusive by affording opportunities to both types of entities. The City of Dallas will be working with lenders to negotiate a discounted purchase price for nonprofit and for profit entities who have interest in presenting proposals under the NSP program. However, NSP funds are limited and the City believes that leveraging of other funds public and/or private can provide for construction subsidies and mortgage guarantees as appropriate.

**Monique Allen  
UPCDC Texas, Inc.**

- Wants the City of Dallas to consider a split between activity 1 and activity 2 to be equal.

- The City should consider a Lease-Purchase option, to use the Housing Finance Corporation bond capacity to do the purchase program

The purpose of the NSP funding is to assist in the redevelopment of abandoned and foreclosed homes. The City has experienced two types of foreclosed properties. One type which can be rehabilitated and resold or rented and one type that may be vandalized or blighted and require complete replacement. The City has distributed funds in such a way that considers those types of needs within the “areas of greatest need.” Using the Housing Finance Corporation to perform lease purchase options is not an option at this time but the NSP program will provide for lease-purchase options.

### **Kitt Lawrantz**

#### **MDHA**

- Wants the City to consider supportive services with permanent housing.
- With the monies set aside for housing, the development of housing for people that are low income; specifically the 25% designated for people who are 50% or more below AMI; the city should designate those funds for the development of permanent supportive housing for homeless individuals and families to help with the process of getting these individuals off the street, out of the Bridge and on with their lives.

NSP funds can be use for Permanent Supportive Housing, acquisition and rehabilitation and applications will be accepted under the RFP format for entities that wish to serve this population. Since 25% of the funding must be used for those at 50% and below Area Median Family Income, permanent supportive housing providers would meet the criteria easily.

### **Michael King**

#### **Cedar Crest Country Club Estates Homeownership Association**

- Wants information on foreclosed upon properties formulated by zip codes rather than council district
- Wants to know the maintenance costs on an annual basis to land bank vacant properties
- Wants to know whether or not DHA is a partner in this program
- Wants a plan to offer down-payment assistance costs of \$15,000
- Wants to know the hardest hit zip codes in the City of Dallas

The City of Dallas used the LISC report and the Roddy report to identify concentrations of foreclosures in Dallas. All foreclosures were plotted on a map of the city and “areas of greatest need” (AGN) were equated with MAPSCO pages. The City of Dallas felt that looking at the AGN by MAPSCO afforded the most specificity in truly defining need on a neighborhood level.

In response to this citizen’s comments and at the request of the Ft. Worth field office, the City listed those zip codes which might partially be effected, as per the selected MAPSCO pages, in the official notices for this amendment. Some of the other



information requests were provided to Mr. King directly. The City of Dallas currently offers down payment and closing cost assistance through its Mortgage Assistance Program which may be leveraged with this program.

### **Margaret Borde**

- Wanted to know if all land banks were vacant land, or can they have existing homes on them?
- Which is greater in the land bank, vacant land or existing homes?
- Will the funds be used to go toward the properties with homes on them or used to build new homes? Which will they do first?

With regard to the Land Bank which is currently operated, only vacant land is held. The distribution of funds for the NSP program by the City of Dallas will address improved properties which have been foreclosed.

### City Response (Continued):

The City of Dallas will maintain this response with the amendment for public review.

## ***G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)***

### City of Dallas NSP Activities

The City of Dallas intends to operate two distinct programs with NSP funds with anticipated start dates of January 2009 and end dates of June 30, 2010:

#### Activity #1

- (1) Activity Name: Acquisition, Demolition, and Redevelopment of Foreclosed or Abandoned Properties (ADR)
- (2) Activity Type: NSP Eligible Use (C)-Establish land banks for homes that have been foreclosed upon; and (D) Demolish blighted structures
- (3) National Objective: Low, moderate, and middle income persons, as defined in the Federal Regulations (i.e., less than or equal to 120% of Area Median Family Income (AMFI).
- (4) Activity Description: This program will be operated by the City of Dallas Housing Department to establish a land bank for homes that have been foreclosed upon, identified as blighted structures, or abandoned. Land banked properties will be made available for redevelopment to nonprofit and for profit entities for sale or rent to families at 120% or below of Area Median Family Income (AMFI). Via Request for Proposal (RFP).
- (5) Location Description: The programs will target those areas within the MAPSCO pages of 46, 48, 54, 55, 56, 58, 59, 64, 65, and 66 which may include portions of the following zip codes: 75203, 75204, 75208, 75210, 75212, 75214, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75241, and 75246.

- (6) Performance Measures: 50 housing units of which 25% will be sold or rented to families whose incomes do not exceed 50 percent of area median income (or approximately 12 units). Properties will be acquired at a minimum discount of 5% below current market appraised value yielding a portfolio average minimum of 15%. Properties sold to an individual as a primary residence will be in an amount equal to or less than the cost to acquire and redevelop such property up to a decent, safe and habitable condition.
- (7) Total Budget: \$2,500,000.
- (8) Responsible Organization: City of Dallas –Housing Department  
Mark G.Obeso, 1500 Marilla, 6DN, Dallas, Texas 75201 (214) 670-3601
- (9) Projected Start Date: Upon execution of grant agreement or January 2009
- (10) Projected End Date: Ten years from date of executed grant agreement or January 2019

#### Activity #2

- (1) Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR)-
- (2) Activity Type: NSP Eligible Use (B)-Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
- (3) National Objective: Low, moderate, and middle income persons, as defined in the Federal Regulations (i.e., less than or equal to 120% of Area Median Family Income (AMFI).
- (4) Activity Description: This program will provide non-profit and for-profit entities zero percent (0%) interest loans for the purchase and rehabilitation of foreclosed homes and residential properties for sale or rent to families at 120% or below of (AMFI). Via Request for Proposal (RFP).
- (5) Location Description: The programs will target those areas within the MAPSCO pages of 46, 48, 54, 55, 56, 58, 59, 64, 65, and 66 which may include portions of the following zip codes: 75203, 75204, 75208, 75210, 75212, 75214, 75215, 75216, 75217, 75223, 75224, 75226, 75227, 75228, 75232, 75241, and 75246.
- (6) Performance Measures: 50 housing units of which 25% will be sold or rented to families whose incomes do not exceed 50 percent of area median income (or approximately 12 units). Properties or homes will be acquired at a minimum discount of 5% below current market appraised value yielding a portfolio average minimum of 15%. Properties sold to individuals as primary residences will be in amounts equal to or less than the costs to acquire and redevelop or rehabilitate such properties or homes up to decent, safe and habitable conditions.
- (7) Total Budget: \$4,639,300.
- (8) Responsible Organization: City of Dallas –Housing Department  
Mark G.Obeso, 1500 Marilla, 6DN, Dallas, Texas 75201 (214) 670-3601
- (9) Projected Start Date: Upon execution of grant agreement or January 2009
- (10) Projected End Date: Eighteen months from date of executed grant agreement or June 2010

#### Activity #3

- (1) Program Administration
- (2) Program Type: Program Administration
- (3) National Objective: NA
- (4) Activity Description: The City of Dallas will provide program administration for planning, implementation, oversight, reporting, and evaluation of the projects funded under NSP. Staff will be added to operate the NSP activities over the entire grant activity period.
- (5) Location Description: 1500 Marilla, 6DN, Dallas, Texas 75201
- (6) Performance Measures: NA
- (7) Total Budget \$793,255.
- (8) Responsible Organization: City of Dallas –Housing Department  
Mark G.Obeso, 1500 Marilla, 6DN, Dallas, Texas 75201 (214) 670-3601
- (9) Projected Start Date: Upon execution of grant agreement or January 2009

(10) Projected End Date: Ten years from date of executed grant agreement or January 2019

## **NEIGHBORHOOD STABILIZATION PROGRAM-CERTIFICATION**

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with

respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

  
\_\_\_\_\_  
Signature/Authorized Official

December 1, 2008  
Date

City Manager  
Title

## NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

### Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City of Dallas, TX, 75201 Lead Agency: Housing Department Jurisdiction Web Address: www.dallascityhall.com	NSP Contact Person: Mark G. Obeso Address: 1500 Marilla St., Ste. 6DN, City Hall, Dallas, TX 75201 Telephone: (214) 670-3601 Fax: (214) 670-0156 Email: mark.obeso@dallascityhall.com
--	---

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

#### **A. AREAS OF GREATEST NEED**

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes  No . Verification found on pages 1-5.

#### **B. DISTRIBUTION AND USES OF FUNDS**

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes  No . Verification found on page 6.

**Note:** The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

#### **C. DEFINITIONS AND DESCRIPTIONS**

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,  
Yes  No . Verification found on page 6.
- a definition of "affordable rents,"  
Yes  No . Verification found on page 7.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
Yes  No . Verification found on page 7.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?  
Yes  No . Verification found on page 7.

**D. LOW INCOME TARGETING**

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on pages 7, 14 and 15.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on pages 7, 14 and 15.  
Amount budgeted = \$2,000,000.

**E. ACQUISITIONS & RELOCATION**

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?  
Yes  No . (If no, continue to next heading)  
Verification found on pages 6, 14 and 15.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e.,  $\leq 80\%$  of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?  
Yes  No . Verification found on pages 6, 14 and 15.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e.,  $\leq 120\%$  of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?  
Yes  No . Verification found on pages 14 and 15.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?  
Yes  No . Verification found on pages 14 and 15.

**F. PUBLIC COMMENT PERIOD**

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?  
Yes  No . Verification found on pages 8-9.

Is there a summary of citizen comments included in the final amendment?  
Yes  No  Verification found on pages 8-13.

**G. INFORMATION BY ACTIVITY**

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,  
Yes  No . Verification found on pages 6, 14 and 15.
- correlated eligible activity under CDBG,  
Yes  No . Verification found on pages 6, 14 and 15.
- the areas of greatest need addressed by the activity or activities,  
Yes  No . Verification found on pages 1-5.
- expected benefit to income-qualified persons or households or areas,  
Yes  No . Verification found on pages 6, 14 and 15.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on pages 6, 14 and 15.
- appropriate performance measures for the activity,  
Yes  No . Verification found on pages 6, 14 and 15.
- amount of funds budgeted for the activity,  
Yes  No . Verification found on pages 6, 14 and 15.
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No . Verification found on pages 14 and 15.
- expected start and end dates of the activity?  
Yes  No . Verification found on pages 14 and 15.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,  
Yes  No . Verification found on pages 14 and 15.
- If the activity provides financing, the range of interest rates (if any),  
Yes  No . Verification found on page 14.
- If the activity provides housing, duration or term of assistance,  
Yes  No . Verification found on pages 6,7,14 and 15.
- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No . Verification found on page 7.



- does it ensure continued affordability?  
 Yes  No . Verification found on page 7.

**H. CERTIFICATIONS**

The following certifications are complete and accurate:

- |  |   |                             |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation                             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds ≤ 120 of AMI                            | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force                                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |