

Memorandum



CITY OF DALLAS


DATE October 31, 2014

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

SUBJECT Home Investment Partnership Regulation Changes and Impacts

On Monday November 3, 2014, you will be briefed on Home Investment Partnership Regulation Changes and Impacts. A copy of the briefing is attached.

Please let me know if you have any questions.


for Theresa O'Donnell
Chief Planning Officer

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

HOME INVESTMENT PARTNERSHIP REGULATION CHANGES AND IMPACTS

**A BRIEFING TO THE HOUSING
COMMITTEE**

**HOUSING/COMMUNITY SERVICES
DEPARTMENT
NOVEMBER 3, 2014**



PURPOSE

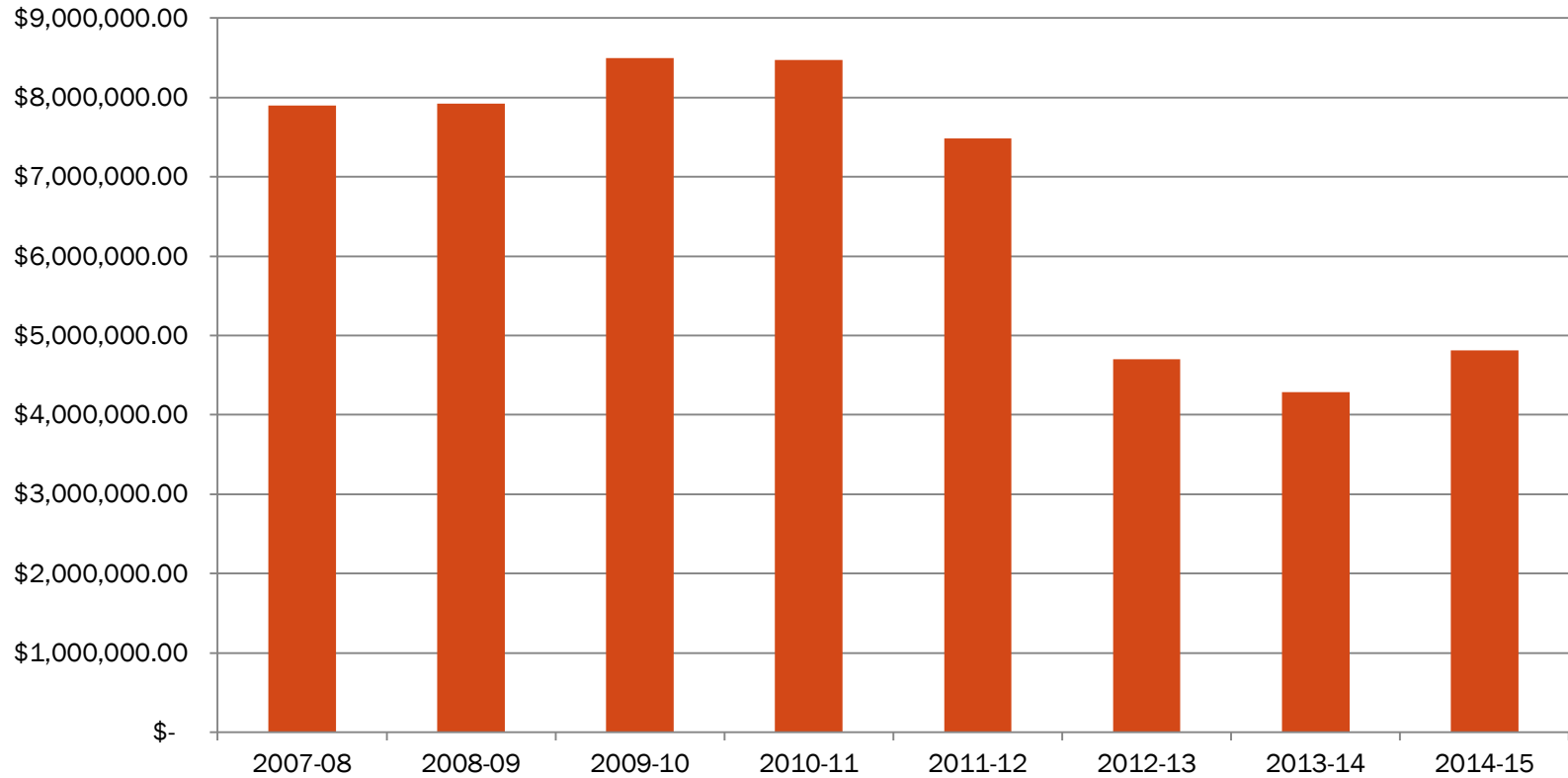
- **To provide a summary of HOME Investment Partnership Program Regulation Changes**
- **Discuss Impacts of those Changes**
 - To the City
 - To our partners



BACKGROUND

- In 2010, the Washington Post published investigative reporting regarding shortfalls in the HOME Program
- Result was an overhaul of the HOME Program legislation, federal policies, and federal procedures

HOME PROGRAM FUNDING CHANGES



TIMELINE REGARDING CHANGES

- In December 2011, the “Proposed Rule” published
 - Provided changes to CHDOs & other partners
 - City & partners commented on changes
- The “Final HOME Rule” changes were published in the Federal Register on July 24, 2013
 - Changes had different implementation dates but most became effective for Dallas October 1, 2014
- Over the course of 2014, the Department of Housing & Urban Development has held trainings via webinar and at the field office
 - Almost all partners participated in some way

HOME PROGRAM BACKGROUND

The HOME Investment Partnership Program was created in 1992 with the sole purpose of:

- Providing decent affordable housing to lower-income households
- Expanding the capacity of nonprofit housing providers
- Strengthening the ability of state and local governments to provide housing
- Leveraging private-sector participation



CITY OF DALLAS' HOME FUNDED ACTIVITIES

- Mortgage Assistance Program (MAP)
- Homeowner rehabilitation including reconstruction
- Multifamily and single family housing rehabilitation for rent
- Site acquisition
- Demolition
- New construction of single family or multifamily affordable housing
- Tenant based rental housing assistance
- Community Housing Development Organization Administration and Project Funding (required 15% set aside)
- Administration (maximum of 10%)



ACCOMPLISHMENTS IN PAST 7 YEARS

- Over 6,000 homebuyers assisted with purchasing a home in Dallas
- Over 150 elderly & disabled homeowners assisted with the reconstruction of their dilapidated homes
- Community Housing Development Organization (CHDO) development funds provided for construction of 300 homes built and sold to new homebuyers



SUMMARY OF KEY REGULATORY CHANGES

- Program & Project Timeframes
- Written Agreements
- Subsidy Layering & Underwriting
- Written Policies & Procedures
- Definition of Project Completion
- Property Standards & Match
- Homebuyer Program Design
- Oversight of Rental Projects
- New & Revised CHDO Rules
- CHDO Capacity requirements
- CHDO Reservations

IMPACT OF CHANGES TO THE CITY

The impact to the City results in increased staff time for:

- underwriting projects to evaluate layering and timely expenditures more often
- constant & consistent monitoring of Federal database
- implementing new environmental review requirements
- monitoring new occupancy requirements for all projects
- additional reporting for status of projects and completion data

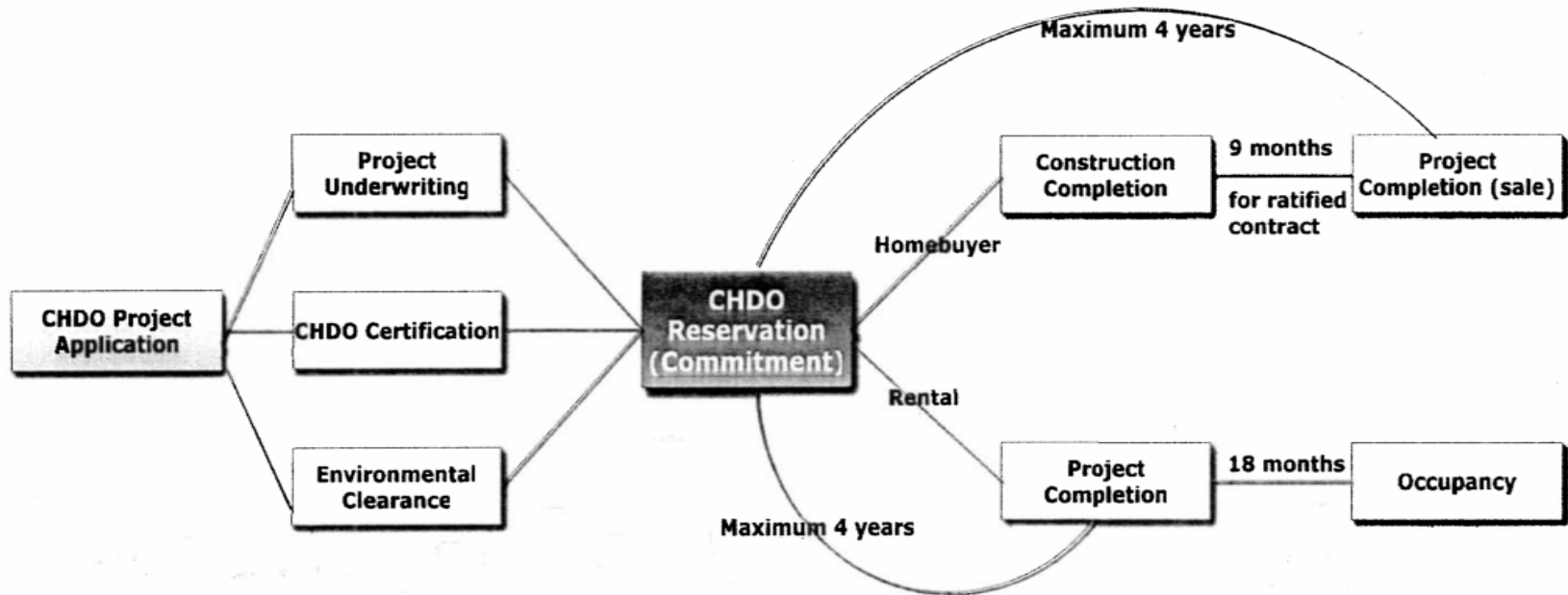
IMPACT OF CHANGES TO PARTNERS

The impact to our partners results in:

- more stringent underwriting criteria
- constant & consistent monitoring of projects
- changes to method of awarding funds to projects
- meeting new environmental review requirements
- addressing new occupancy requirements
- submission of additional reporting



HUD MANDATED CHDO PROCESS



Slide 27



IMPACT OF CHANGES SPECIFIC TO CHDOS

- CHDOs may only be certified as projects are being evaluated and funds committed for that project
- CHDOs may only receive operating assistance in the context of a funded project
- More stringent certification requirements
- Shorter timeframes to start and complete projects
- Leveraging with private resources for projects will have greater scrutiny by HUD
- Greater degree of reporting and compliance with less funding for staff

RECOMMENDATIONS

- **Reevaluate programs funded under HOME**
 - Bring recommendations for changes during budget deliberations
- **Adopt HUD mandated processes**
- **Create single family NOFA with priority for nonprofit partners**
 - NOFA criteria would be briefed at a future Housing Committee meeting

Questions & Answers