



City of Dallas

State of the Department of Housing & Neighborhood Revitalization

**Housing and Homelessness
Solutions Committee
April 24, 2023**

Cynthia Rogers-Ellickson, Assistant Director;
Reese Collins, Area Redevelopment Manager;
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Tammi Southall, Program Manager;
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Department of Housing & Neighborhood Revitalization
City of Dallas

Presentation Overview



- Purpose
- Department Organizational Chart
- Staff Resources
- Financial Resources
- General Administration
- Home Repair
- Strategy Team
- Dallas Housing Policy 2033
- Development
- DPFC-DHFC
- Land Bank/Transfer
- Homebuyer Assistance
- Portfolio Management
- Compliance



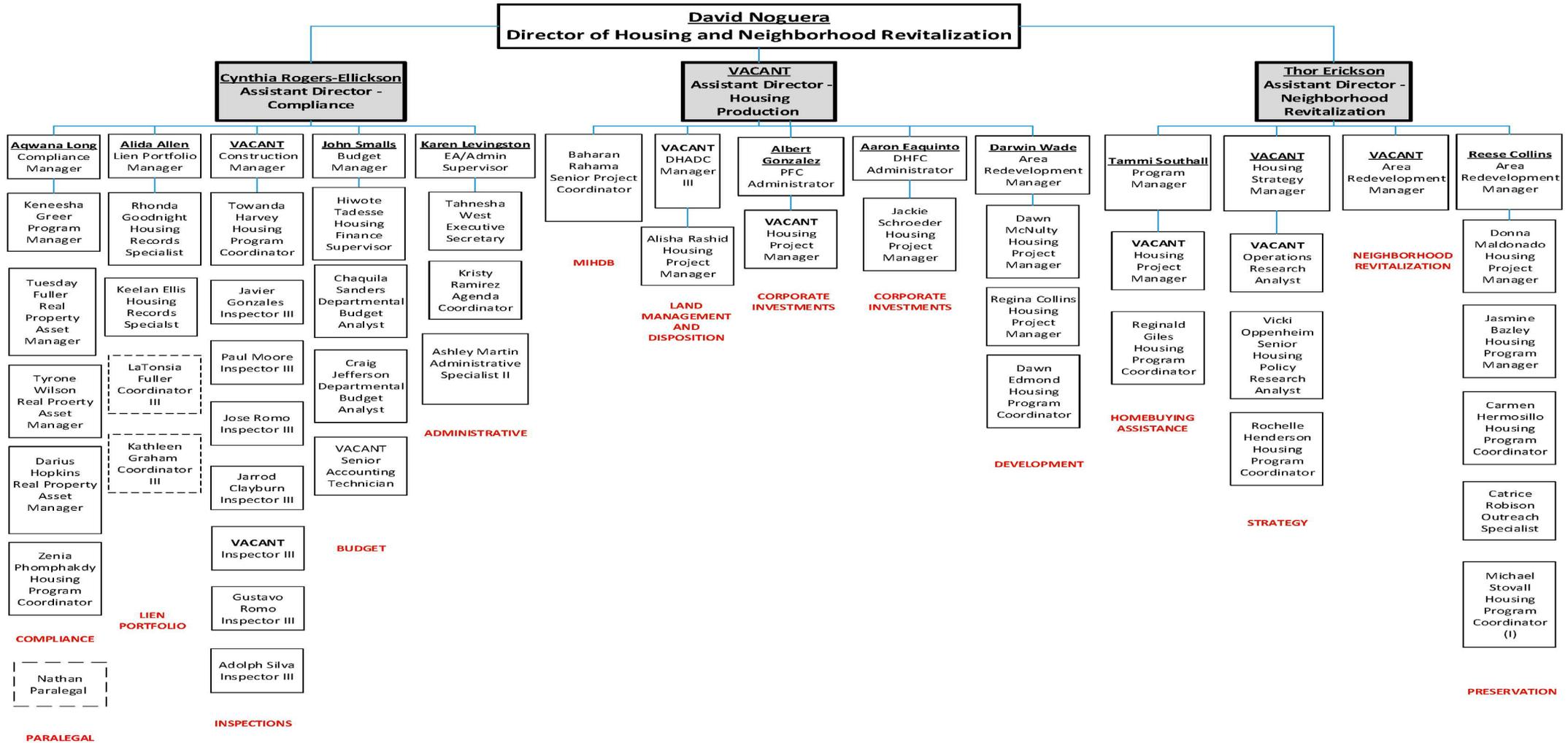
Purpose



- To provide updates on:
 - Staffing and financial resources for the Department of Housing & Neighborhood Revitalization (Housing)
 - Status of each Division/Program within the Department
 - Accomplishments to-date
 - Ongoing challenges



Department Organizational Chart



Staff Resources



- Total staff count of 59:
 - 32 federally funded positions
 - 21 general funded positions
 - 5 corporation positions
 - 1 Mixed Income Housing Development Bonus (MIHDB) funded position
- 4 Executives, 13 Managers, 7 Inspectors, 4 Administration staff, and 28 Professionals
- Staff is cross-trained to work in several funding sources at once; and charge out time as needed
- New initiatives and programs are requested without administrative funds or resources



Financial Resources



- Prior Years Funds Total \$32,744,625
 - Details of prior year's funds under commitment and FY 2022-23 financial resources for housing activities are explained in the attached Appendix A
- Current Fiscal Year's Funds
 - Community Development Block Grant (CDBG) - \$10,209,095
 - Home Investment Partnerships Program (HOME) - \$6,940,498
 - General Funds - \$4,616,582
 - MIHDB - \$4,463,614
 - Land Bank/Land Transfer - \$1,255,299
 - Dallas Public Facility Corporation (DPFC) - \$1,601,431
 - Dallas Housing Finance Corporation (DHFC) - \$11,393,515
 - Other - \$35,835,650 (See Appendix A)



Financial Resources (Continued)



- In a “typical” year, Federal grants make up approximately 78% of Housing’s budget
- FY2022-23 had two unusual sources of funds (See Appendix A):
 - The American Rescue Plan Act (ARPA)
 - CDBG Disaster Recovery Funds (CDBG-DR)
- Housing is highly dependent on its annual allocation of federal grants to assist with affordable housing activities
- However, Federal annual budgets are decreasing and Federal grants have heavy administration needs for source documentation and long-term affordability
- In FY2022-23, with unrestricted funds in the amount of \$17M, Housing has undefined opportunities for additional affordable housing



General Administration



Designed to provide:

- General administration for the Department
- Central management of City Council agenda items
- Department oversight for hiring and onboarding
- Responds to Open Record Requests and 311 correspondence
- Department-wide coordination for meetings, communication, training, office management, etc.

Accomplishments:

- Continued to standardize tools for onboarding, newsletters, Standard Operating Procedures (SOPs), agenda forecasting
- Continued to increase compliance with Department required training

Challenge:

- High turn-over for starting positions with important Department responsibilities due to promotional opportunities



Home Repair



Historical:

- Housing currently has 8 home repair programs underway including:
 1. Major Rehabilitation/Reconstruction
 2. Minor Home Repair
 3. Senior Home Repair
 4. Lead Based Paint
 5. Dallas Tomorrow Fund
 6. Targeted Repair Program
 7. ARPA
 8. Title Assistance/Clearing
- Title Clearing and Clouded Title Prevention Pilot Program was created in September 2019:
 - S.A.V.E. Your House Program
- Funds used for home repair include CDBG, ARPA, General Funds, and Lead Based Paint



Home Repair (Cont.)



Accomplishments:

- Production has increased from 11 home repairs in FY19-20, to 189 in FY20-21, to 39 in FY21-22 and as of today, 78 projects have been completed, 75 projects are under construction with 85 projects are in the pipeline to be completed by end of FY23
- All programs are managed by the same team with similar processes
- Common Paper Application in English and Spanish
- Neighborly System – Tracks applicant process, draw request, and lien tracking

Ongoing Challenges:

- Contractor and Contractor capacity, time to execute contracts, cost and availability of construction material, and the demand across all programs
- Title Issues among Citizens/Applicants



Home Repair (Cont.)



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Under Construction	Agreement Stage
HIPP Rehab	12	11	31	21	24	11	10
HIPP Recon	7	0	0	2	9	7	0
HHLR	n/a	0	0	0	1	4	6
DTF	0	0	5	3	9	6	3
West Dallas	n/a	n/a	0	13	34	15	24
Minor/Emergency	0	0	153	0	0	19	28
ARPA NRP	n/a	n/a	n/a	0	1	13	14
Senior Home Repair	n/a	n/a	n/a	n/a	0*	0	0
Totals	19	11	189	39	78	75	85

*Application intake closed in March 2023, staff is currently compiling documents, over 500 applications received.



Strategy Team



Historical:

- Created in 2019 to develop and amend policies and programs, track accomplishments, improve operations, and perform data analysis for the department

Accomplishments:

- Conducted research and made recommendations for Dallas Housing Policy 2033 (DHP33), Dallas Housing Resource Catalog (DHRC), MIHDB, fee-in-lieu, Emerging Developer Initiative, Neighborhood Empowerment Zones, Title and Property Assistance, Targeted Repair, Dallas Homebuyer Assistance Program (DHAP), and others
- Refined Performance Measures reporting to Housing and Homelessness Solutions (HHS) Committee and created a new Quarterly Report



Dallas Housing Policy 2033 (DHP33)



Timeline:

- **2018** – Comprehensive Housing Policy (CHP) adopted to address compliance issues
- **January 2021** – Racial Equity Audit of CHP
- **December 2021** – Audit Findings
- **April 2022** – 11 Recommendations to address audit findings
- **June 2020** – Dallas Accountability for Housing Equity (process to develop new policy)
- **December 2022** – 7 Pillars
- **April 12, 2023** – City Council Adoption of DHP33 and DHRC (pending)

Pillar	Policy Statement/Aim
1 Equity Strategy Target Areas	Identify specific disparities in housing opportunities and reduce them utilizing a targeted approach
2 Citywide Production	Increase production to improve housing affordability for a broad mix of incomes in all areas of the city
3 Citywide Preservation	Increase preservation to improve housing affordability for a broad mix of incomes in all areas of the city
4 Infrastructure	Prioritize infrastructure investments in equity strategy target areas
5 Collaboration and Coordination	Align strategies and resources to maximize the impact of partnerships with internal and external stakeholders
6 Engagement	Cultivate diverse and multi-lingual avenues of communication with residents across all neighborhoods to guide City's housing investment decisions
7 Education	Develop a city-wide, collaborative campaign to increase YIMBYism (Yes in My Back Yard) for housing affordability and the people who need it



Dallas Housing Policy 2033 (DHP33) (Cont.)



- Racial and economic inclusion are integral to Dallas' housing growth. Accordingly, through the DHP33, the City seeks to continue to reduce disparities that disproportionately impact historically disadvantaged communities by providing quality affordable mixed-income housing initiatives across the City.
- The DHRC is a clearinghouse for all housing programs, corporations and compliance and funding resources.



Development



Historical:

- Created a standing Development Notice of Funding Availability (NOFA) to better align with developer needs
- Adopted mixed-income development philosophy to break down Racial Ethnic Concentrated Areas of Poverty (RECAP)
- Established monthly pre-submission meetings to market and inform developers of NOFA's process
- Housing funds used for development include CDBG, HOME, ARPA, CDBG-DR, Bond, DHFC, DPFC, and MIHDB



Development (Cont.)



Accomplishments:

- Completed construction and lease-up of 217 mixed-income units at The Galbraith at 2400 Bryan
- Completed acquisition and rehabilitation of 202 mixed-income units at The Citizen formerly known as Midpark Towers
- Completed rehabilitation of 180 permanent supportive housing units at The St. Jude Park Central
- Allocated almost \$71M to rental housing
- Allocated \$10.5 to “for sale” housing
- Developed a pipeline of 449 mixed-income “for sale” units and 2,708 rental units

Ongoing Challenges:

- Rising cost of land and construction, increasing gap financing requests, limited City funding resources, developer capacity, permitting delays, staff turnover and contract execution



Development (Cont.)



Development NOFA Process and Timeline

- Approximately 13 months to commence construction





Historical:

- In 1984 DHFC was created and in 2020 DPFC was created
- Powerful tools for development of affordable, mixed-income, and workforce housing
- DHFC owns properties in partnership with developers, issues private activity and essential function bonds to fund affordable housing
- DPFC owns properties and provides property tax exemptions pursuant to state statute to subsidize mixed-income housing developments
- DHFC and DPFC are governed by separate 15-person Boards with Housing staff managing the day-to-day activities of the Corporations



DPFC-DHFC (Cont.)



Accomplishments:

- Total Completions: DHFC 10 properties/2,085 units complete
- DHFC currently has 20 properties/4,744 units under construction or is awaiting loan closing
- Entire LIHTC/DHFC program has over \$1.1 Billion in affordable housing development under construction and/or awaiting acquisition for conversion to affordable housing
- DPFC has approved 13 projects/3,950 units since its first Board meeting in November 2021
- DPFC represents approximately \$880M in workforce/mixed-income housing development throughout the City
- DPFC has currently closed on 3 projects with approximately 839 units under construction

Ongoing Challenge:

- Issues remain due to an over-subscription of private activity bonds at the State level and NIMBYism



Land Bank/Land Transfer



Historical:

- In 2004, the City of Dallas designated the Dallas Housing Acquisition and Development Corporation (DHADC) to administer the Land Bank Program
- The program allows the City to:
 1. Reclaim vacant real property from tax delinquency status and
 2. Use such land to develop affordable housing for low-income households or for commercial purposes
- The Land Transfer Program allows the City to sell qualifying City-owned real property and resell tax-foreclosed real property to for-profit, non-profit, and/or religious organizations in a direct sale at less than fair market value of the land, consistent with the authorizing state statute or City ordinance



Land Bank/Land Transfer



Accomplishments:

- To date, the Land Bank Program has sold 785 vacant lots for the construction of affordable housing
- In FY 2022-23, 5 permits were issued to start construction, 20 units are under construction, 7 units are complete, and 4 units sold to income eligible homeowners
- Land Transfer Program approved the sale of 317 vacant lots to eligible developers for the construction of affordable housing
- In FY 2022-23, 33 permits issued to start construction, 35 units are under construction, 22 units complete, and 15 units pending sale to income eligible homeowners, and 8 units sold to income eligible homeowners

Ongoing Challenge:

- Availability of inventory in the Real Estate Division to utilize for the Program and funding to acquire additional property
- Both programs have re-zoning properties to be used for residential use and increased costs in residential construction



Homebuyer Assistance (DHAP)



Three down payment assistance program options:

- DHAP
 - Assist homebuyers at 80% AMI and below to purchase a home in Dallas – uses federal funds – home purchase price must less than \$271K
- DHAP Targeted Profession
 - Assist homebuyers from 80%-120% AMI who work in Educational Instruction, Librarians Services, Healthcare and Protective Services to purchase a home in Dallas
- DHAP 10
 - Assist homebuyers who lived in Dallas for 10 years who are between 50-120% AMI to purchase a home in Dallas



Homebuyer Assistance (DHAP) (Cont.)



DHAP Process and Timeline

- Prequalification: 7-10 Business Days
- Loan Closing: 30 – 45 Business Days

- Application Review for Income Determination
- Applications are submitted online via the Neighborly Software System

7 - 10 days after submission

- Loan Document Review/Underwrite Approval
- Upon receipt of an approved primary mortgage loan

2 - 14 days depending on lender response time

- Property Inspection Environmental Review
- Property must meet minimum housing standards

2 - 3 days after request received

- Homebuyer Written Agreements/Deed Restrictions
- Request for documents submitted to CAO after underwriting approval

10 business days after assigned to attorney. 2-3 days for signatures.

- Wire Request Submitted to Finance Team for funding source and approval
- Request sent to Treasury for wiring of funds to Title Company for closing

2 - 3 days

- Request for Closing Documents
- CAO drafts closing documents to provide to the closing Title Company

2 - 3 Days



Homebuyer Assistance (DHAP) (Cont.)



Accomplishments

- Staff income qualifies all Homebuyers for Development Projects approved through the NOFA - Notice of Funding Available

Ongoing challenges

- Potential Homebuyers do not have many options to purchase homes at or below \$271k, resulting in withdrawal from the program
- With increased sale prices, many homebuyers need more subsidy to obtain housing within City limits



Portfolio Management



Historical:

- The Division provides releases of liens, subordinations and assumptions for existing liens
- The Division has historically operated on a reactive basis by responding to requests for lien releases as the public brought them forward
- Staff have been releasing and revising liens per the December 2021 City Council approved initiative

Accomplishments:

- Neighborly has allowed monitoring current liens to release on a proactive basis in a timely manner
- Staff have reduced the Bulk lien portfolio from 26,000+ to 13,600
- Requests for releases has decreased by 45% from over 400 to 250

Ongoing challenges:

- Releases take up to 30 days to complete



Portfolio Management (Cont.)



Release of Lien (ROL) Process and Timeline

- Total Timeline 30 Business Days



Compliance



Historical:

- Compliance division is responsible for monitoring and compliance on regulatory, contractual requirements, and advisory services
- Implements controls to protect the City of Dallas from all risks

Accomplishments:

- Housing was released from all ongoing audit requirements due to the 2017 HOME Findings
- Currently monitoring over 300 units, to be completed by September 30, 2023
- CDBG and HOME training are completed for all new employees in March and April 2023
- Internal department reviews for all Housing Programs are underway

Ongoing Challenges:

- The more units we produce, the more staffing is needed for asset management
- Developers and property managers compliance with long-term affordability
- Contractor/developer compliance with Davis-Bacon





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Appendix A
Department of Housing and Neighborhood Revitalization
Financial Resources

Prior Year Resources 2018-2022	Starting Balance in FY 2022-23	Percent of Expenditure	Amount Expended	Remaining Balance
CDBG	\$33,957,672	57%	\$19,349,867	\$14,607,805
HOME	\$24,020,058	31%	\$9,135,805	\$14,884,253
NSP	\$6,689,551	81%	\$5,394,360	\$1,295,191
Lead Based Paint	\$2,300,000	15%	\$342,624	\$1,957,376
FY 2022-23 Financial Resources				
Community Development Block Grant (CDBG)	Total Annual Allocation \$10,209,095		Serves households up to 80% AMI	Allocation varies by HUD's budget
	Residential Development Loan Program (RDALP)		Acquisition, Relocation, Demolition, On-Site Infrastructure	\$2,265,710
	Dallas Homebuyer Assistance Program (DHAP)		Homebuyer Assistance	\$400,000
	Home Improvement and Preservation Program (HIPP)		Major, Minor home repair, Reconstruction Program and staff	\$4,654,038
	Public Facilities and Improvements		Rehabilitation of public facilities and public infrastructure	\$2,024,314
	CDBG Administration		Staff administration funds	\$865,033
HOME Investment Partnership Program (HOME)	Total Annual Allocation \$6,940,498		Serves households up to 80% AMI	Allocation varies by HUD's budget
	CHDO Development Loan Program		Provides housing development assistance to Dallas certified CHDOs	\$966,076
	HOME Program Administration		Staff administration funds	\$589,796
	HOME Project Costs		Staff costs for direct service to clients	\$450,000

Appendix A
Department of Housing and Neighborhood Revitalization
Financial Resources

	Dallas Homebuyer Assistance Program (DHAP)	Homebuyer Assistance	\$400,000
	Housing Development Loan Program	Provides financial assistance to developers for construction of affordable housing	\$4,534,626
FY 2022-23 General Funds	Total budget amount \$4,616,582	Pays for staff and administration costs associated with city and non-federal charges for housing activities	Budget varies annually
	Salary and Overhead	Staff costs for housing and administration	\$2,625,082
	Development Activities	Construction funds for activities serving mixed-income homebuyers or renters	\$246,754
	Rehabilitation Activities	Rehabilitation funds for homeowners with incomes above 80% AMI	\$147,500
	Homebuyer Assistance	Homebuyer assistance funds for homeowners over 80% AMI	\$120,000
	Emerging Developer Initiative	Provides funding for outsourcing technical assistance to increase capacity for non-profit developers	\$500,000
	General administrative costs	Sacred codes, supplies, travel, training, misc.	\$977,246
FY 2022-23 Mixed Income Housing Bonus	Total amount received to-date \$4,463,614	Fees collected from applications and fee-in-lieu transactions; Uses TBD	Budget varies annually
		Administration funds	\$300,000
		Programs/Projects	\$4,163,614

Appendix A
Department of Housing and Neighborhood Revitalization
Financial Resources

FY 2022-23 Land Bank/Land Transfer	Total allocated since 2021-22 \$1,255,299	Funds are used for administration and land purchases	Budget varies annually
		Administration funds	\$19,799
		Land Purchases	\$1,235,500
FY 2022-23 Dallas Public Facilities Corp. (DPFC)	Total Cash On Hand: \$1,601,431	Funds are used for administration and subsidizing affordable housing developments	Budget varies annually
		Estimated Revenues	\$2,996,910
		Board Operating Expenses	\$442,242
		Net Income	\$2,524,668
FY 2022-23 Dallas Housing Finance Corp. (DHFC)	Total Cash On Hand: \$11,393,515	Funds are used for administration and subsidizing affordable housing developments	Budget varies annually
		Estimated Revenues	\$3,070,899
FY 2022-23 One-Time Awards	Total Amount Received \$35,835,650	Funds used to directly assist in affordable housing	One-time allocation
American Rescue Plan Act		Home Repair	\$8,750,000
		Development	\$8,500,000
	Housing	Infrastructure	\$6,000,000
CDBG-Disaster Recovery		Down Payment Assistance	\$500,000
		Home Repair	\$2,000,000
		Development	\$25,410,000
General Funds	Equity	Anti-displacement	\$1,000,000
	Equity	Jeffrey Meyers	\$250,000
		Senior Home Repair	\$100,000
CDBG Reprogram		Development	\$2,971,130
		Grand Total	\$76,315,684