

December 8, 2021

WHEREAS, on June 4, 2021, the Department of Housing & Neighborhood Revitalization (“Housing”) informed the U. S. Department of Housing and Urban Development (HUD) about the current lien portfolio; and

WHEREAS, on September 2, 2021, Housing met with city councilmembers individually to inform them about the current lien portfolio; and

WHEREAS, on October 22, 2021, City Council was briefed by memorandum regarding this matter; and

WHEREAS, Housing desires to move forward with the plan of action to address outstanding liens, as presented to HUD and city councilmembers.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager hereby authorizes **(1)** a release of lien for property owners of single-family homes who received loans from the City prior to December 31, 2006, after ensuring that the release complies with guidance from the U.S. Department of Housing and Urban Development (“HUD”); and **(2)** the reduction of all affordability periods for program loans established by the Department of Housing & Neighborhood Revitalization between December 31, 2006 through May 9, 2018 to align with HUD regulations, and the conversion of all loans to forgivable grants, approved as to form by the City Attorney. In accordance with HUD guidance, Housing will follow these procedures to address outstanding liens:

1. Loans/Grants Established Prior to 2006 – before releasing a lien, the City will analyze loans or grants issued prior to 2006 by reviewing the completion dates and other records to ensure that: (a) the lien release is appropriate for each project, (b) the City has implemented and enforced recapture and resale provisions (if triggered), and (c) it complies with long-term affordability requirements.
2. Loans/Grants Established December 31, 2006 – May 9, 2018 – the City will reassess loans established between December 31, 2006 – May 9, 2018 (when the Comprehensive Housing Policy (CHP) was adopted by the City Council) to align with HUD regulations, as described below:
 - a. for HOME Investment Partnership (HOME) loans that are subject to an ongoing affordability period, reduce the HOME affordability period to fifteen years and convert loans to forgivable grants; and

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SECTION 1. (continued)

- b. convert Community Development Block Grant (CDBG) loans, and other eligible loans, to forgivable grants and remove any ongoing affordability periods.

SECTION 2. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.