



Legislation Details (With Text)

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File created:	1/26/2023			In control:	Department of Housing & Neighborhood Revitalization
On agenda:	2/22/2023			Final action:	
Title:	Authorize (1) an amendment to the City of Dallas Comprehensive Housing Policy (CHP), attached as Exhibit A to: (a) establish the Dallas Anti-Displacement Homebuyer Assistance Program (DHAP 10) to provide Dallas homebuyers residing in Dallas for at least ten years with household income between 50%-120% Area Median Income a forgivable loan not to exceed \$50,000.00 per household; (b) amend the Dallas Homebuyer Assistance Program (DHAP) by increasing the front-end ratio requirement of the underwriting criteria to 35% and the maximum assistance amount for areas outside High Opportunity Areas to an amount not to exceed \$50,000.00 per household; (c) amend the DHAP Targeted Homebuyer Incentive Program by increasing the front-end ratio requirement of the underwriting criteria to 35% and the maximum assistance to an amount not to exceed \$50,000.00 per household; and (2) the use of general funds in an amount not to exceed \$1,000,000.00 for the DHAP 10 Program - Not to exceed \$1,000,000.00 - Financing: Equity Fund				
Sponsors:					
Indexes:	100				
Code sections:					
Attachments:	1. Resolution, 2. Exhibit A				

Date	Ver.	Action By	Action	Result
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STRATEGIC PRIORITY: Housing & Homelessness Solutions

AGENDA DATE: February 22, 2023

COUNCIL DISTRICT(S): All

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize **(1)** an amendment to the City of Dallas Comprehensive Housing Policy (CHP), attached as **Exhibit A** to: **(a)** establish the Dallas Anti-Displacement Homebuyer Assistance Program (DHAP 10) to provide Dallas homebuyers residing in Dallas for at least ten years with household income between 50%-120% Area Median Income a forgivable loan not to exceed \$50,000.00 per household; **(b)** amend the Dallas Homebuyer Assistance Program (DHAP) by increasing the front-end ratio requirement of the underwriting criteria to 35% and the maximum assistance amount for areas outside High Opportunity Areas to an amount not to exceed \$50,000.00 per household; **(c)** amend the DHAP Targeted Homebuyer Incentive Program by increasing the front-end ratio requirement of the underwriting criteria to 35% and the maximum assistance to an amount not to exceed \$50,000.00

per household; and **(2)** the use of general funds in an amount not to exceed \$1,000,000.00 for the DHAP 10 Program - Not to exceed \$1,000,000.00 - Financing: Equity Fund

BACKGROUND

The Comprehensive Housing Policy (CHP) has three main goals: (1) create and maintain available and affordable housing throughout Dallas; (2) promote greater fair housing choices; and (3) overcome patterns of segregation and concentrations of poverty through incentives and requirements. The Dallas homebuyer assistance programs of the CHP currently include Dallas Homebuyer Assistance Program (DHAP) and DHAP Targeted Homebuyer Incentive Program. These programs provide home ownership opportunities to low- to moderate-income homebuyers purchasing within the city of Dallas by providing down payment, closing costs, and principal reduction assistance.

Dallas Homebuyer Assistance Programs

The proposed amendments to the underwriting criteria and increase in maximum assistance amounts for the DHAP and DHAP Targeted Homebuyer Incentive Program allow staff to adjust the programs in response to increased home prices and interest rates.

The current funding source for the homebuyer assistance programs are Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds provided to the City from the U.S. Department of Housing and Urban Development (HUD). Additional non-federal funds are also utilized to implement the homebuyer assistance programs. If approved, the DHAP 10 program will be funded with Equity Funds.

DHAP 10

Establishing the DHAP 10 program would support the City Manager's Racial Equity Plan, which reflects the intentional process by City departments to identify existing disparities in outcomes across various indicators, develop strategies, and target investments to improve success for Dallas residents. Receipt of Equity Funds for the DHAP 10 program will allow the City to assist its current residents at 50%-120% of the Area Median Income (AMI) who are potentially looking for affordable housing outside of the City of Dallas to avoid restrictions under the HUD guidelines. DHAP 10 applicants may qualify to receive homebuyer assistance in an amount not to exceed \$50,000.00 as a deferred, forgivable loan, which shall be forgivable annually based on the affordability period.

As the City of Dallas seeks to reduce displacement in gentrifying neighborhoods, it is important to first identify which groups of residents in those gentrifying neighborhoods are most vulnerable to displacement in the face of rising housing costs. According to the Texas Anti-Displacement Toolkit, part of the Uprooted Project at The University of Texas at Austin, there are five primary indicators of vulnerability: Renters, low-income households, persons of color, households headed by a resident without a college degree, and families with children in poverty.

(<<https://sites.utexas.edu/gentrificationproject/texas-anti-displacement-toolkit/>>)

Housing will work with Communications, Outreach and Marketing to develop a robust marketing plan that includes community outreach to nonprofits, DHAP-approved lenders, and realtor associations. Marketing materials will be available in Spanish and English and in both digital and print.

Amendments to the CHP

This agenda item includes an updated CHP and was briefed to the Housing and Homelessness Solutions Committee on January 23, 2023.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 9, 2018, City Council adopted the CHP by Resolution No. 18-0704, as amended.

On November 28, 2018, City Council authorized amendments to the CHP, to make technical changes to the Home Improvement Preservation Program (HIPP), the Dallas Homebuyer Assistance Program (DHAP), and the New Construction and Substantial Rehabilitation Program by Resolution No. 18-1680.

On May 22, 2019, City Council authorized an amendment to the CHP to add a Land Transfer Program to incentivize the development of high quality, sustainable housing that is affordable to the residents of the City and the development of other uses that complement the City's CHP, economic development policy, or redevelopment policy by Resolution No. 19-0824.

On June 12, 2019, City Council authorized amendments to the CHP to amend and restate the low-income Housing Tax Credit policy by Resolution No. 19-0884.

On June 26, 2019, City Council authorized amendments to the CHP to amend the DHAP, the HIPP, and the HIPP Landlord Program by Resolution No. 19-1041.

On September 25, 2019, City Council authorized amendments to the CHP to create the Title Clearing and Clouded Title Prevention Pilot Program by Resolution No. 19-1498.

On December 11, 2019, City Council authorized amendments to the CHP to modify the provisions for the housing policy task force, update language to comply with the MIHDB previously approved by City Council and remove two application forms by Resolution No. 19-1864.

On January 22, 2020, City Council authorized amendments to the CHP and created a residential Neighborhood Empowerment Zone Program by Resolution No. 20-0188.

On August 26, 2020, City Council authorized amendments to the CHP to amend the DHAP program, include the 0-30% income band in the range of income bands to be served, create the Targeted Rehabilitation Program (TRP), and to allow Community Housing Development Organizations to retain a percentage of sales proceeds from eligible HOME-funded projects by Resolution No. 20-1220.

On January 27, 2021, City Council authorized an amendment to the CHP to (1) amend the loan terms in the New Construction and Substantial Rehabilitation Program to allow forgivable loans for projects with permanent supportive housing units; and (2) to remove the nine percent subsidy cap from the annual HUD 234 - Condominium Housing Limits by Resolution No. 21-0212.

On May 11, 2021, and November 15, 2021, the Housing Policy Task Force was presented with the proposed changes to and expansion of the MIHDB program for review and comment.

On September 9, 2021, City Council authorized amendments to the HIPP, Subrecipient Minor Home

Repair Grant Program, Housing Reconstruction Program, Landlord Rental Repair Program, Community Land Trust Program, and the TRP in the CHP by Resolution No. 21-1450.

On October 13, 2021, City Council authorized an amendment to the CHP to amend the loan terms in the New Construction and Substantial Rehabilitation program to remove the requirement that the City may only subordinate its lien position to a private financial institution for a loan in a greater amount by Resolution No. 21-1655.

On October 13, 2021, City Council authorized an amendment to the CHP to amend the terms of the Dallas Homebuyer Assistance Program (DHAP) to: (1) change the citizenship definition for applicants to meet the guidelines set forth by the Department of Housing and Urban Development (HUD); (2) remove the minimum income requirement of 60% of the Area Median Income (AMI) (3) remove the minimum 26% front-end loan to income ratio requirement; and (4) modify the Targeted Homebuyer Incentive Program to remove federal requirements when assistance is provided to homebuyers using nonfederal funds by Resolution No. 21-1656.

On October 21, 2021, November 4, 2021, and November 18, 2021, the Zoning Ordinance Advisory Committee (ZOAC) of the City Plan Commission (CPC) considered these amendments to the Dallas Development Code; and on December 16, 2021, ZOAC recommended the proposal move to CPC.

On January 6, 2022, and February 17, 2022, CPC reviewed the proposed changes to Division 51A-4.1100 of the Dallas Development Code, and on March 3, 2022, CPC recommended approval of the amendments.

On May 11, 2022, City Council authorized an amendment to the City of Dallas Comprehensive Housing Policy to (1) amend the Mixed Income Housing Development Bonus (MIHDB) program by (a) adding additional development bonus options including additional development rights, parking reductions, and financial incentives and (b) adding a fee in lieu of on-site provision to fulfill the requirements of the bonus; and (2) establish the Mixed Income Housing Development Bonus Fund.

On September 28, 2022, City Council authorized an amendment to the City of Dallas Comprehensive Housing Policy (CHP), to amend the Home Improvement and Preservation Program to expand the type of third-party organizations that may administer the Major Home Rehabilitation Program and the Home Reconstruction Program by Resolution No. 22-1432.

On December 14, 2022, City Council authorized an amendment to the City of Dallas Comprehensive Housing Policy (CHP), to amend the Targeted Rehabilitation Program to (1) remove property insurance from property eligibility requirements; (2) allow applicants to reapply to receive additional assistance for property previously assisted with funds through the Targeted Rehabilitation Program; (3) revise the funding cap amount from \$10,000.00 to \$20,000.00 for the Targeted Rehabilitation Program - West Dallas Sub-Program Module by Resolution No. 22-1755.

The Housing and Homelessness Solutions Committee was briefed on the amendment to the City of Dallas Comprehensive Housing Policy to amend (1) the Dallas Homebuyer Assistance Program to expand and include a third program, the Dallas Anti-Displacement Homebuyer Assistance Program (DHAP 10) for (a) current Dallas residents (b) with household incomes between 50% - 120% of the

area median income; (c) with a residency of 10 years or more cumulative in Dallas; (d) assist households with up to \$50,000.00. (2) Amend the Dallas Homebuyer Assistance Program to adjust (a) the front-end ratio requirement of the underwriting criteria from 32% to 35% (b) increase the amount of funding for non-high opportunity areas from \$40,000.00 to \$50,000.00 per household. (3) Amend the DHAP Targeted Homebuyer Incentive Program to adjust (a) the front-end ratio requirement of the underwriting criteria from 32% to 35% (b) increase the amount of funding from \$45,000.00 to \$50,000.00 per household on January 23, 2023.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
Equity Fund	\$1,000,000.00	\$0.00	\$0.00