Legislation Text

File #: 21-1260, **Version:** 1

STRATEGIC PRIORITY:	Economic and Neighborhood Vitality
AGENDA DATE:	September 9, 2021
COUNCIL DISTRICT(S):	All
DEPARTMENT:	Department of Housing & Neighborhood Revitalization
EXECUTIVE:	Dr. Eric A. Johnson

SUBJECT

Authorize amendments to the following programs under the Comprehensive Housing Policy (CHP) to **(1)** amend the Home Improvement and Preservation Program (HIPP) to **(a)** modify the Major Rehabilitation Forgivable Loan Program, for applications accepted after September 9, 2021, to revise **(i)** the program name; **(ii)** revise the funding cap from $50,000.00 to 27% of the HOME Homeownership Value Limits ("Value Limits") per home (currently $66,420.00), as established by the U.S. Department of Housing and Urban Development ("HUD"); and **(iii)** update program administration; **(b)** modify the Subrecipient Minor Home Repair Grant Program to **(i)** remove the 1:1 match; **(ii)** decrease the maximum assistance from $10,000.00 to $4,999.99 per home; and **(iii)** revise the program name and eligibility requirements; **(c)** modify the Housing Reconstruction Program to **(i)** revise the funding cap from $160,000.00 to 75% of the Value Limits per home (currently $184,000.00); **(ii)** revise the underwriting criteria; and **(iii)** revise the program name; **(d)** modify the Landlord Rental Repair Program to **(i)** revise all program requirements, including but not limited to funding and eligibility terms, to be consistent with the forgivable loan structure of other HIPP programs; and **(ii)** revise the per house funding cap from $40,000.00 to 27% of Value Limits per home (currently $66,240.00); and **(iii)** revise the program name; **(2)** amend the Community Land Trust Program to expand the nonprofit eligibility requirements to be consistent with recent legislation; **(3)** amend Appendix 18, Targeted Rehabilitation Program - West Dallas Sub-Program Module to clarify the requirements when bond funds are utilized; and **(4)** amend Appendix 19, Targeted Rehabilitation Program - Tenth Street Historic District Sub-Program Module to **(a)** change the area median income requirements from at or below 80% to 120%; **(b)** clarify the requirements when bond funds are utilized; and **(c)** revise the funding cap from $20,000.00 to $50,000.00 - Financing: No cost consideration to the City

BACKGROUND

The 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.

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HIPP is the Department of Housing and Neighborhood Revitalization's (Housing) main program to preserve affordable housing in the City of Dallas. This amendment clarifies program names and moves all four programs under the HIPP section.

The construction industry is experiencing construction material shortage that has led to significant price increases, which has impacted our ability to continue to serve homeowners who need home rehab assistance at current funding cap per house. The change to a percentage of Home Purchase Limits allows for greater cost per house if needed and adjusts annually based on new HUD data. This change would impact the Major, Reconstruction and Rental Programs.

The amendment to the Minor Home Rehabilitation Program allows for more subrecipients to administer the program and prioritize only minor rehab work under $5,000.00. Subrecipients had difficulty matching under Housing's original program. Additionally, projects over $5,000.00 require lead testing and repairs must then address the lead items before the minor home repair and this often costs more than the existing program limit of up to $10,000.00 per property.

The existing Landlord Rental Repair Program will be renamed Rental Rehabilitation Program and changes the loan terms from a repayable loan to a forgivable loan that is consistent with the other HIPP programs. We have heard from interested landlords that these changes are positive and would allow them to rehab their units and rent to people with low-to moderate incomes. This program has a lien and deed restriction to protect the City's interest for ten years and continue to serve families at or below 80% Area Median Income (AMI). These amendments were presented to the Housing Policy Task Force on June 17, 2021. Feedback was positive on the proposed amendments. Three non-profits who expressed interest in being subrecipients for the Minor Home Rehabilitation Program in addition to the Senior Affairs Commission Housing Subcommittee have expressed support for the proposed amendments.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 9, 2018, City Council adopted the City of Dallas CHP and created the Dallas Housing Policy Task Force to **(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 by Resolution No. 18- 0704.

On May 22, 2019, City Council authorized a resolution in furtherance of the City of Dallas' efforts to support diverse racial, ethnic, cultural, and socio-economic backgrounds and to promote equity in the Dallas community, and Section 5 of that resolution declared the City's intent to promote equity in budgeting by Resolution No. 19-0804.

On May 22, 2019, City Council authorized an amendment to the CHP to add a Land Transfer Program to incentivize the development of 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.

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On June 26, 2019, City Council authorized amendments to the CHP to amend the Dallas Homebuyer Assistance Program (DHAP), the Home Improvement Preservation Program (HIPP) Homeowner Program, 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 Mixed Income Housing Development Bonus 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 Neighborhood Empowerment Zone (NEZ) Program by Resolution No. 20-0188.

On January 22, 2020, City Council created seven residential NEZs by Resolutions Nos. 20-0189 through 20-0195.

On August 12, 2020, City Council authorized the final adoption of Substantial Amendment No. 4 to the FY 2019-20 Action Plan for the HIPP funded by Community Development Block Grant funds to amend the rehabilitation loan program to increase the maximum loan amount from $40,000.00 to $50,000.00 and to change the loan terms from repayable to forgivable annually by Resolution No. 20-1127.

On August 26, 2020, City Council authorized the amendments to the CHP, as reflected in the attached Exhibit A, (a) an amendment to the City of Dallas CHP, previously approved on May 9, 2018, by Resolution No. 18-0704, as amended, to (1) amend the range of income bands to be served from 30% to 120% of the area median income (AMI) to include housing for people at 0% to 120% of the AMI; (2) amend the HIPP and the DHAP to improve program utilization and reduce administrative expenses; (3) amend and restate the DHAP Targeted Homebuyer Incentive Program (DHAP Targeted); (4) amend the tenants served under the Tenant Based Rental Assistance program; (5) amend the Land Transfer Program contract extension provision; (6) create a Targeted Rehabilitation Program (TRP) to provide grants or loans to eligible residents in targeted neighborhoods for housing rehabilitation and delegate authority to the City Manager to modify certain elements outlined in the appendix in an amount not to exceed $2,750,000.00; (7) amend the NEZ Program to include a definition of income; (8) amend Appendix 2 - Single Family Development Underwriting to amend elements including procurement methods, eligible homeowners, loan types and terms, and cost limitations; (9) add the West Dallas TRP Sub-Program Module as Appendix 18; and (10) add the Tenth Street Historic District TRP Sub-Program Module as Appendix 19; and (11) amend the New Construction and Substantial Rehabilitation Program and Appendix 2 to allow Community Housing Development Organizations to retain a percentage of proceeds in HOME funded-projects as determined on a project-by-project basis; (b) appropriations for the TRP from the Equity Revitalization Capital Fund; and (c) the City Manager to execute individual agreements and other necessary documents, as approved by the City Attorney, up to $60,000.00 in accordance with the in accordance with the HIPP, DHAP, DHAP Targeted, and TRP, without further City Council approval by Resolution No. 20-1220.

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The Housing and Homelessness Solutions Committee was briefed regarding this matter on August 23, 2021.

FISCAL INFORMATION

No cost consideration to the City.

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