



## Legislation Text

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File #: 21-2091, Version: 1

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** December 8, 2021  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Department of Housing & Neighborhood Revitalization  
**EXECUTIVE:** Dr. Eric A. Johnson

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### **SUBJECT**

Authorize **(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 - Financing: No cost consideration to the City

### **BACKGROUND**

For most repayable and forgivable loans/grants, the City utilizes liens to secure interest in properties, which enables the City to further enforce the loan and/or grant agreement requirements upon default.

The Department of Housing & Neighborhood Revitalization ("Housing") became aware of outstanding liens while undergoing an audit (unrelated to the liens) by HUD. In resolving audit findings, Housing switched from a paper filing system to an online project management system, Neighborly. Through this transition, Housing learned that the City has approximately 26,000 liens on single-family homes that need to be reviewed for compliance and released (if eligible). Some properties have more than one lien filed against it, which is due to homeowners receiving assistance for multiple housing programs. The distribution of existing liens by council district is attached as **Exhibit A**.

A lien release is often triggered by a homeowner or title company's request and typically takes 30-60 days to process. This action will allow the City to proactively release outstanding liens in accordance with HUD guidance.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

[City Council was briefed by memorandum regarding this matter on October 22, 2021.](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/HOU-Lien-)  
<<https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/HOU-Lien->

[Portfolio Memo 101821.pdf>](#)

**FISCAL INFORMATION**

No cost consideration to the City.