

February 14, 2024

WHEREAS, on May 9, 2018, the City Council adopted the Comprehensive Housing Policy (CHP) by Resolution No. 18-0704; and

WHEREAS, after the adoption of the CHP, the City Council authorized multiple amendments to the CHP on November 28, 2018, by Resolution No. 18-1680; on May 22, 2019, by Resolution No. 19-0824; on March 27, 2019, by Resolution No. 19-0429 and Ordinance No. 31142; on June 12, 2019, by Resolution No. 19-0884; on June 26, 2019, by Resolution No. 19-1041; on September 25, 2019, by Resolution No. 19-1498; on December 11, 2019, by Resolution No. 19-1864; on September 9, 2021, by Resolution No. 21-1450; on January 22, 2020, by Resolution No. 20-0188; on August 26, 2020, by Resolution No. 20-1220; on January 27, 2021, by Resolution No. 21-0212; on September 9, 2021, by Resolution No. 21-1450; on October 13, 2021, by Resolution No. 21-1655; on October 13, 2021, by Resolution No. 21-1656; on May 11, 2022, by Resolution No. 22-0744; and on September 28, 2022, by Resolution No. 22-1432; and

WHEREAS, on April 12, 2023, the City Council adopted the Dallas Housing Policy 2033 (DHP33) to replace the CHP by Resolution No. 23-0443 and the Dallas Housing Resource Catalog (DHRC) to include the approved programs from the CHP by Resolution No. 23-0444; and

WHEREAS, the DHP33 and the DHRC, which sets forth the City's housing programs, authorize the sale of surplus (subject to Texas Local Government Code, Section 272.001(g)) or tax-foreclosed lots (subject to Texas Tax Code, Section 34.051) to qualified developers through the Land Transfer Program (LTP) for the construction of affordable housing units to low- to moderate-income households; and

WHEREAS, under the LTP, developers are required to sell newly constructed homes to a qualified buyer and any subsequent resale of the home by the initial qualified homebuyer must be to another qualified household during the five-year affordability period (resale deed restriction); and

WHEREAS, under the DHRC, the Dallas Homebuyers Assistance Program (DHAP) which provide qualified buyers down payment and closing cost assistance, to accept deed restrictions with recapture provisions (e.g., if home is not used as buyer's primary residents or is sold to an unqualified household, the participant must pay back the City) (recapture deed restriction); and

WHEREAS, to alleviate the conflict between the LTP resale deed restriction and the DHAP recapture provision on the same property, as prohibited under federal requirements, [the City desires to ~~this amendment to~~ authorize](#) the release [of](#) the LTP resale deed restriction when a qualified homebuyer is utilizing the DHAP Program or [receives](#) other homebuyer assistance program requiring a recapture deed restriction, [to comply with federal law](#); and

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WHEREAS, to ameliorate the inadvertent barriers to homeownership resulting from ~~under~~ the DHRC requirement requiring that Land Transfer Program developers of for-sale single-family housing units ~~to only~~ can only sell homes to qualified homebuyers who meet DHAP underwriting guidelines whether or not the qualified homebuyer receives DHAP assistance from the City, the City desires to remove the requirement ~~this amendment does not require a~~ that all qualified homebuyers must meet ~~not receiving to DHAP homebuyer assistance to~~ DHAP underwriting guidelines and instead require that only; ~~however; a~~ qualified homebuyers that ~~is~~ are also a DHAP participants ~~shall be required to~~ meet DHAP underwriting guidelines; and

WHEREAS, under the DHRC, the Single Family Development Requirement/Underwriting (SFDRU) provides gap financing to developers constructing single-family homes through a competitive Notice of Funding Availability (NOFA); and

WHEREAS, to alleviate financial burden on non-profit ~~and for-profit~~ developers utilizing the SFDRU program for gap financing, the City desires this amendment to amends the loan terms from repayable loans to forgivable loans. ~~based on the total development cost related to the sales price of the home; and~~

~~**WHEREAS**, this amendment is made retroactive from May 12, 2021, the effective date of the development agreement with all non-profit Community Housing Development Organizations (CHDOs), to the current including any applicable repayments to City-certified CHDOs for loan payments made during this time period.~~

Now, Therefore,

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

SECTION 1. That the City Council ~~is~~ hereby authorizes the City Manager or his/her designee ~~d~~ to amend ~~the Dallas Housing Resource Catalog Land Transfer Program (LTP), as shown in the attached Exhibit A. The amendment authorizes to: (1) release the Land Transfer Program deed restrictions initially required when a qualified buyer is also a Dallas Homebuyer Assistance Program (DHAP) participant; (a) impose the federally required DHAP deed restrictions on lots(s) to be filed and recorded in the real property records of the county in which the parcel of real property is located; (b) a qualified buyer that is not a DHAP participant shall not be required to meet DHAP underwriting guidelines; and (c) a qualified buyer that is also a DHAP participant shall be required to meet DHAP underwriting guidelines; (2) an amendment to the DHRC Single Family Development Requirements/Underwriting (SFDRU), as shown in the attached Exhibit B to: (a) amend loans used for acquisition and construction financing from repayable to forgivable loans based on the total development cost related to the sales price of the home; and (b) this amendment shall be enforced retroactively from May 12, 2021, the effective date of the development agreement with all non-profit Community Housing Development~~

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SECTION 1. (continued)

~~Organizations (CHDOs), to the current including any applicable repayments to City-certified CHDOs for loan payments made during this time period.:~~ (1) the terms and conditions of the Land Transfer Program (LTP), as shown in the attached Exhibit A to: (a) release the LTP deed restrictions initially required when a qualified buyer is also a Dallas Homebuyer Assistance Program (DHAP) participant or receives other funding assistance that requires recapture deed restrictions, and instead impose the federally required DHAP (recapture) deed restrictions on the lots(s) which shall be filed and recorded in the real property records of the county in which the parcel(s) of real property is located; (b) no longer require a qualified buyer that is not a DHAP participant to meet DHAP underwriting guidelines; and (c) continue to require a qualified buyer that is a DHAP participant to meet DHAP underwriting guidelines; and (2) the terms and conditions of the Single Family Development Requirements/Underwriting (SFDRU) program, as shown in the attached Exhibit B, to no longer require Community Housing Development Organizations (CHDOs) to repay HOME-funded loans issued by the City for acquisition and construction financing and instead categorize them as forgivable loans as permitted by HUD regulations.

SECTION 2. That at the closing transaction for the sale of a LTP home unit to a DHAP qualified buyer, the City Manager or his/her designee is hereby authorized to execute instruments, approved as to form by the City Attorney, to: (1) release the resale deed restrictions initially recorded on the applicable Land Transfer Program lot(s) at the time the lots were ~~when~~ sold by the City to the developer; and (2) impose recapture deed restrictions on the lot(s) that shall ~~to~~ be filed and recorded in the real property records of the county in which the parcel of real property is located.; ~~and (3) this amendment shall be enforced retroactively from May 12, 2021, the effective date of the development agreement with all non-profit Community Housing Development Organizations (CHDOs), to the current including any applicable repayments to City-certified CHDOs for loan payments made during this time period.~~

SECTION 3. That the City Manager or his/her designee is hereby authorized to execute loan documents constituting forgivable HOME-funded loans to CHDOs participating in the DHRC's competitive Notice of Funding Availability (NOFA) process to construct affordable homes to households with incomes ranging from 60%-80% AM.

SECTION 3.4. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.