

# Memorandum

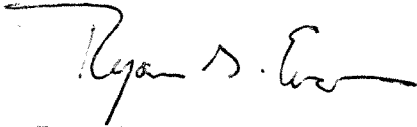


DATE: April 18, 2008

TO: Members of the Public Safety Committee

SUBJECT: **Down Payment and Closing Cost Assistance Incentive Payment for Police Officers**

Attached is briefing material on the "Down Payment and Closing Cost Assistance Incentive Payment for Police Officers" to be presented to the Members of the Public Safety Committee on Monday, April 21, 2008.



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First Assistant City Manager

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Attachment

# **Down Payment and Closing Cost Assistance Incentive Payment For Dallas Police Officers**

**Public Safety Committee**

**April 21, 2008**



# Purpose

- Provide Information on Program Adopted in October 2007
- Recommend Program Amendments
- Provide Implementation Steps and Timeline

# Program Implementation

- Down Payment Assistance Program adopted September 2007
- Described as Conditional Grant/Loan/Employee Compensation of \$6,000 for down payment and closing costs for sworn DPD officers who:
  - Have completed the Academy
  - Do not currently own a home in Dallas
- Requirements:
  - Officers expected to purchase a home in Dallas and live there for at least 5 years
  - Home cannot be purchased with adjustable rate mortgage
  - Officer to sign affidavit and documentation of grant and forgivable loan
  - Employee tax withholding, City payment of pension contribution
  - Incentive to increase number of officers living in Dallas
- Similar to the Dallas Police Department Recruit Incentive
  - Taxable to the officer
  - City pays pension contribution

# Program Implementation (cont.)

- \$200,000 budgeted for the program
- Incentive to increase number of officers living in Dallas
  - Increase visibility of DPD in neighborhoods
  - Increase retention with reduced commute times
  - Stabilize neighborhoods
  - Lower environmental impact on area with reduced commute distance
- Housing Department began implementation of the program
  - Grant application, affidavit and loan closing documents prepared by Housing Department
  - Documents reviewed by City Attorney's Office
  - Payment process identified as salary check with tax deductions, City payment of pension contribution
- First eligible officer under Program purchasing qualified property
  - Salary check prepared for purchase
  - Affidavit and Title Company closing instructions prepared
- No other applications in process at this time

# Program Amendments Identified

- In review of closing documents for current applicant, program statement amendments recommended
  - City Attorney's Office determined that in its current form the program statement would provide for unenforceable loans or grants to city employees
  - Clarify that incentive is lump sum compensation to employee, subject to tax and Medicare withholding, City payment pension contribution
  - Applicant to sign affidavit
  - Loan documentation will not be used
- Current application processed according to program as if amended by recommendations

# Recommendations

- Amend Police Special Pay Program Statement by Resolution
  - Change conditional grant or loan to lump sum compensation
  - Use affidavit only
  - Do not require note and subordinate lien
  - Retroactively confirm funding of down payment and closing cost assistance to eligible Officer who has closed on home purchase

# Next Steps

- May 14<sup>th</sup> Council Action Item Amending Police Down Payment Assistance Program Statement
- Amend process guidelines
- Market Program to DPD Officers and to recruit classes starting at end of May
- Reopen application process on May 15th



# Questions