

Memorandum



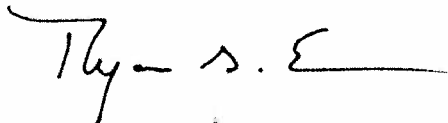
DATE April 13, 2012

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT HOME Investment Partnership Program Update

On Monday, April 16, 2012, you will be briefed on HOME Investment Partnership Program Update. A copy of the briefing is attached.

Please let me know if you have any questions.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Stephanie Pegues-Cooper, Assistant to the City Manager

HOME Investment Partnership Program Update

A Briefing to the Housing Committee

Housing/Community Services Department

April 16, 2012



Purpose

- To provide an update on the HOME Investment Partnership Program changes for FY 2012-13

Background

- The HOME Investment Partnership Program was created in 1992 with the sole purpose of:
 - Providing decent affordable housing to lower-income households
 - Expanding the capacity of nonprofit housing providers
 - Strengthening the ability of state and local governments to provide housing
 - Leveraging private-sector participation
- HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households



HOME Funding FY 2007-2013

- FY 2007-08 \$7,898,971
- FY 2008-09 \$7,625,416
- FY 2009-10 \$8,492,632
- FY 2010-11 \$8,475,460
- FY 2011-12 \$7,480,380
- FY 2012-13 \$4,700,686

HOME Eligible Activities

- Participating jurisdictions may choose among a broad range of eligible activities including:
 - Home purchase assistance
 - Homeowner rehabilitation including reconstruction
 - Build or rehabilitate housing for rent or ownership
 - Site acquisition
 - Demolition
 - New construction of single family or multifamily affordable housing
 - Tenant based rental housing assistance
 - Community Housing Development Organization Administration and Project Funding (required 15% set aside)
 - Administration (maximum of 10%)



Other HOME Program Highlights

- The HOME Program
 - Requires jurisdictions to match 25% of each years' grant from nonfederal sources
 - Is guided by maximum per unit subsidy limits and maximum purchase-price limits
 - Requires affordability periods up to 20 years
 - Assists persons up to 80% of Area Median Family Income

HOME Funded Projects



Bexar Street Townhomes

Grigsby Townhomes



HOME Funded Projects

Eagle Ford Subdivision



Saragosa Condominiums

HOME Funded Projects



Carpenter's Point Seniors

Blossom Gardens Seniors





Other Accomplishments Between FY 2007-12

- Over 6,000 homebuyers assisted with purchasing a home in Dallas
- Over 150 elderly & disabled homeowners assisted with the reconstruction of their dilapidated home
- Over 300 homes built and sold to new homebuyers by Community Housing Development Organizations (CHDOs)

Proposed Changes to HOME Rules

- CHDOs must have paid staff
 - Using consultants will be insufficient to prove capacity
- Students enrolled in institutions of higher learning will not be eligible as low-income beneficiary
- Acquisition/demolition of property will only be allowable when construction will start within 12 months
- Projects must be completed within 4 years of the commitment of funding or the City must repay the investment with nonfederal funds

Proposed Changes to HOME Rules (continued)

- Stricter underwriting criteria for developments
- A newly constructed unit must be sold within 6 months or be converted to a rental unit
- Jurisdictions will be required to examine the financial condition of HOME rental projects throughout the period of affordability
- Completion data must be reported to HUD within 120 days of drawing funds

Impact of Changes

- Fewer CHDOs will be certified
- Smaller projects with fewer units will be favored
- With budget reductions:
 - CHDOs will have a reduction in the required set aside
 - Fewer dollars will be available for creating affordable housing and assisting homebuyers (resulting in fewer projects being funded)
- Leveraging of private and public dollars will be made more difficult given the timeframes for project completion (resulting in more public dollars invested in projects)
- Greater degree of reporting and compliance with less funding for staff

Next Steps

- The proposed rule changes were published in the Federal Register on December 16, 2012
- The public comment closed on February 14, 2012
- City staff will continue making adjustments with existing projects for the anticipated changes through September 30, 2012
- HUD will finalize rules and make them effective October 1, 2012