

Memorandum



CITY OF DALLAS

DATE June 15, 2012

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

SUBJECT City of Dallas Community Housing Development Organization (CHDO) Program Update

On Monday, June 18, 2012, you will be briefed on City of Dallas Community Housing Development Organization (CHDO) Program Update. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

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



City of Dallas Community Housing Development Organization (CHDO) Program Update

A Briefing to the Housing Committee

**Housing Department
June 18, 2012**



Key Focus Area: Economic Vibrancy



PURPOSE

- To provide an update on the current activities of Community Housing Development Organizations (CHDOs) that work with the City of Dallas
- To respond to requests made by the North Texas Community Development Association (NTCDA) at the May 21, 2012 Housing Committee



CHDOs in Dallas

- The City of Dallas currently has fourteen certified CHDOs which are certified annually
- Six CHDOs represent 90% of production
- The City of Dallas has approximately \$19.8 million in active loans and commitments with area CHDOs
- The majority of CHDOs are engaged in single family development (new construction)
- A few CHDOs are engaged in rental housing and multifamily rehabilitation



CHDO Production



Fiscal Year	06-07	07-08	08-09	09-10	10-11
# of Homes Completed with City Assistance	39	61	71	56	65

Note#1 Numbers do not include any multifamily units produced

Note #2 – Of the 292 units produced over the last five years, approximately 50% have been built by Habitat for Humanity



Prominent CHDO Projects

Builders of Hope: Prairie Creek-55 single family homes (CD4) & West Dallas Infill 32 single family homes (CD6)

City Wide CDC: Urban Village (CD5) & 5650 Gaston-12 senior units (CD14)

Dallas Neighborhood Alliance for Habitat: Cedar Creek-94 single family homes (CD8) & Hickory Creek-50 single family homes (CD8)

East Dallas Community Organization: Bexar Street-28 townhomes (CD7) & Thornton Heights-29 single family homes (CD8)

South Dallas/Fair Park Innerscity CDC: Pittman Place-19 single family homes (CD7) & Spring Street Revitalization (CD7)

Southfair Community Development Corporation: Fair Park Estates- 30 single family homes (CD7)





City Services for CHDOs

- First right of refusal on struck off (foreclosed) properties
- First right of refusal for Land Bank properties
- Financing for development projects –both gap and interim
- Operating & marketing assistance
- Priority for Mortgage Assistance Program (MAP)
- Technical assistance



NTCDA Requests

- Expand Funding for Organizations and Projects that Serve Families with Incomes Below 80% AMI
 - ◆ Report annually on total public investments, the outcomes of those investments, and planned future investments in the area
 - Response: The Housing Department will provide this information to the NTCDA by January each year
 - ◆ Geographically align home repair and home replacement programs with other City-funded revitalization efforts
 - Response: The Housing Department will work with NTCDA group to identify areas and clients in their redevelopment areas that need this assistance; provide criteria for qualifying clients; and allow the NTCDA group to complete the initial screening for qualified homeowners and the Department will complete the processing
 - ◆ Increase funding for projects, including a revolving interim construction financing line of credit
 - Response: There is \$19.8M in CHDO funding under contract now with close to \$5M in interim financing. Conversion of projects to rental (at the request of CHDOs and HUD) have kept us from revolving this line. The current \$5M in interim construction obligations is the maximum exposure that the City should have in this area. There needs to be a major emphasis on moving existing commitments to completion. The Department will commit to gap financing developments at 20% where bank financing is involved.



NTCDA Requests (continued)

- Increase Funding for Mortgage Assistance Program
 - ◆ Developers will build where there is demand to buy the product
 - ◆ Area residents are choosing to live outside the city limits- Dallas needs an incentive to entice people to invest their housing dollars within the City
 - ◆ Citywide MAP funds were depleted this year in April-half way through the program year
 - ◆ Use an income-tiered approach to stretch available funding
 - Response: The City remains committed to funding the Mortgage Assistance Program. In FY2011-12, \$2.8M was budgeted and \$1M was “added” on March 28, 2012. A survey of other surrounding cities, indicates that the City provides more assistance for homebuyers than other areas. If the goal is to incentivize low and middle income homebuyers equally into Dallas neighborhoods, an income-tiered approach does not work. Staff recommends reducing the maximum assistance for the MAP to \$20K for which will increase the number assisted by 40 more homebuyers



NTCDA Requests (continued)

- Reduce or Eliminate Fees for Building Permits, Fire, Water, Plats
 - ◆ Encourage developers to build affordable homes by decreasing the development costs in exchange for affordability commitments
 - Response: The City currently has the ability to waive zoning and platting fees for affordable units. The City Attorney's Office is researching the legality of waiving other development fees. However, the Housing Department can provide funding to the CHDO's to cover these costs. It should be noted that if these fees are not paid in this respect, other private developers will have to pay the difference.
 - ◆ Encourage development in disinvested and aging areas to take advantage of existing infrastructure by equalizing the costs of infill vs. subdivision construction
 - Response: On a cost basis, it is less expensive to develop infill lots compared to subdivision lots. Where there are exceptions, such as water meters or site prep, the Department can provide funding to the CHDO's to cover these costs
 - ◆ The City should unlock the value of its urban land and convert its vacant spaces into vibrant places
 - Response: The City's Urban Land Bank Program addresses this goal.



NTCDA Requests (continued)

- Promote a Culture of Clean
 - ◆ Prioritize the elimination of blight
 - Response: On an annual basis, the City of Dallas provides \$27.3M to the Department of Code Compliance for the elimination of blight
 - ◆ Incentivize development in formerly-blighted or depopulating areas
 - Response: The Housing Department does this through the Neighborhood Investment Program, Bond Program, and other Development programs (including CHDO)
 - ◆ Appoint a senior staff member whose sole responsibility is to repurpose vacant, abandoned, and problem properties within the City-we need to understand the nature and magnitude of the problem in order to address it
 - Response: The Housing Department proposes to work with NTCDA partners to identify the problem properties in the immediate neighborhoods where they are building and assign a coordinator to work with other departments in the City to resolve any issues



NTCDA Requests (continued)

- Actively Engage NTCDA Members in Planning Process
 - ◆ Effectively utilize HUD's new eCon Planning Suite to make data-driven and place-based planning decisions as part of the Consolidated Planning process
 - Response: The new eCon Planning Suite is a computerized tool that HUD is asking cities to use as a template for preparing their next Consolidated Plan. Dallas will begin using this tool in the Spring of 2013 to begin preparing the next five year Consolidated Plan
 - ◆ Set up specific workshops to teach NTCDA members how to use the new tools and to explain how the City intends to implement this new approach
 - Response: As HUD provides webinars and trainings for this tool, the Housing Department will invite NTCDA members to attend
 - ◆ Work closely with community development professionals to draft the Consolidated Plan
 - Response: In December 2012, the City will announce the process for 2013-14 planning and advise as to opportunities to become involved



NTCDA Requests (continued)

- Don't Allow the Whims of Washington to Dictate Dallas' Future
 - ◆ Support the general obligation bond funding for economic development and housing
 - Response: The general obligation bond request will be presented to voters in late 2012
 - ◆ Add \$400,000 from general fund to support CHDO operations and marketing
 - Response: At this time, the City Manager must resolve a shortfall of \$25M (updated number based on June 20th Budget briefing) in the general fund before adding requests to the general fund
 - ◆ Coordinate national lobbying efforts with CHDOS to conserve federal funding
 - Response: The Housing Department will facilitate a meeting between NTCDA partners and Intergovernmental Services (IGS) to begin this process
 - ◆ Dallas cannot grow by leaving disinvested communities behind
 - Response: Agreed



Next Steps

- NTCDA membership has been notified of upcoming HUD webinars regarding new laws and rules for the HOME program- to be held in June
- Facilitate NTCDA Meeting with Code Enforcement and Intergovernmental Services staff in July/August 2012
- Coordinate meeting with NTCDA members for home repair, home replacement, and referral of problem properties within designated areas