

**KEY FOCUS AREA:** A Cleaner, Healthier City Environment  
**AGENDA DATE:** December 8, 2010  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

---

**SUBJECT**

Authorize modifications to the Permanent Supportive Housing (PSH) Program Statement to (1) remove references to a goal to create an exact number of PSH units; (2) provide for City consideration of assistance for PSH units when existing units have been absorbed and services for existing units are stabilized; (3) encourage developers and applicants to brief key neighborhood and community groups; (4) provide for staff to notify the City Council when staff receives PSH project proposals seeking City assistance; and (5) provide maximum level of funding per PSH unit and a minimum percentage of PSH units required for multifamily projects for developers willing to provide PSH units and seeking assistance from City programs - Financing: No cost consideration to the City

**BACKGROUND**

The development of Permanent Supportive Housing and the support services that are required for the low-income tenants continue to be a priority for the Metro Dallas Homeless Alliance (MDHA), the Corporation for Supportive Housing and the City of Dallas. To that end, Permanent Support Housing (PSH) Steering Committee, and Housing Department/Community Services staff developed a strategy to address our community needs and the provision of housing and services to chronically homeless individuals.

Through a series of meetings the PSH Committee has developed a 5-year plan with the goal of increasing the number of PSH units in the City of Dallas by 700 by year 2014 and has outlined potential costs to the City based upon project models.

On August 18, 2008, the Housing Committee recommended the approval of the PSH Program Statement and the 5-year plan. The Program Statement to implement the 5-year plan incorporated policies and procedures for financing, determination of eligibility and the development of 700 PSH units. The City Council approved the Program Statement on January 28, 2009.

## **BACKGROUND (continued)**

On September 7, 2010 the Housing Committee was briefed that the 700 PSH unit goals identified in 2009 for 2014 may soon be met if all of the current pipeline units are placed into service over the next year. The Committee also heard that 600 or more units could be coming on line in the next year and could stretch the capabilities of the service providers.

This agenda item will authorize modifications to the PSH Program Statement as shown on the attached Attachment A and Exhibit A. The modified PSH Program Statement will remove references to PSH unit creation goals and provide for City consideration of assistance for PSH units when existing units have been absorbed into their communities and services for existing units are stabilized. The modifications will encourage developers to obtain support of key neighborhood and community groups and provide for staff to notify the City Council when staff receives PSH project proposals seeking City assistance. The modified program statement will also provide a maximum level for funding per PSH unit and a minimum percentage of PSH units required for multifamily projects where developers willing to provide PSH units, are seeking City assistance.

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

On August 18, 2008, the Housing Committee was briefed on the Permanent PSH Statement and 5-year Plan.

On September 8, 2008, the Quality of Life Committee was briefed on the PSH Program Statement and 5-year Plan.

On January 5, 2009, the Housing Committee was briefed on the PSH Program Statement and 5-year Plan.

On January 28, 2009 the City Council authorized approval of a PSH Program Statement and 5-year plan endorsing city-wide implementation for the creation of 700 PSH units for chronically homeless individuals and use of federal grants, general obligation bonds and certificates of obligation subject to future Council approval, to fund project gap requirements to the extent permissible from each funding source.

On September 7, 2010 the Housing Committee was briefed on the status of current PSH units, the status of the 700 PSH unit goal, on PSH unit production in comparison to the goal and on recommendations to determine the need for PSH units in 2011.

On October 4, 2010 the Housing Committee was given a PSH update by the Metro Dallas Homeless Alliance and the Dallas Housing Authority.

**FISCAL INFORMATION**

No cost consideration to the City.

December 8, 2010

**WHEREAS**, the development of Permanent Supportive Housing (PSH) and the support services continues to be a high priority for the City of Dallas; and

**WHEREAS**, on November 7, 2006, the voters of Dallas approved a \$1.35 Billion General Obligation Bond Program (GOB) of which \$41,495,000 was set-aside for the purpose, among others, of providing funds for promoting economic development in the Southern Sector area of the City; and

**WHEREAS**, the PSH committee composed of Metro Dallas Homeless Alliance (MDHA), Corporation for Supportive Housing and the City of Dallas representatives have developed a 5-year plan with the goal of increasing the number of PSH units in the City of Dallas by 700 by 2014 and outlined potential costs to the City based upon project models; and

**WHEREAS**, on August 18, 2008, the Housing Committee was briefed on the Permanent Supportive Housing Program five year plan; and

**WHEREAS**, on January 5, 2009, the Housing Committee was briefed on the PSH Program Statement and 5-year Plan; and

**WHEREAS**, on January 28, 2009, the City Council authorized approval of a PSH Program Statement and 5-year plan endorsing city-wide implementation for the creation of 700 PSH units for chronically homeless individuals and use of federal grants, general obligation bonds and certificates of obligation subject to future Council approval, to fund project gap requirements to the extent permissible from each funding source by Resolution No. 09-0344; and

**WHEREAS**, on September 7, 2010, the Housing Committee was briefed on the status of current PSH units, the status of the 700 PSH unit goal, on PSH unit production in comparison to the goal and on recommendations to determine the need for PSH units in 2011; and

**WHEREAS**, On October 4, 2010, the Housing Committee was given a PSH update by the Metro Dallas Homeless Alliance and the Dallas Housing Authority; and

December 8, 2010

**WHEREAS**, the 700 PSH unit goals identified in 2009 for accomplishment in 2014 may already be met if all of the current pipeline units are placed into service over the next year since 600 or more units could be coming on line in the next year and could stretch the capabilities of the service providers; and

**WHEREAS**, the City of Dallas desires to provide for City consideration of assistance for PSH units when existing units have been absorbed into their communities and services for existing units are stabilized, encourage developers to brief key neighborhood and community groups, provide for staff to notify the City Council when staff receives PSH project proposals seeking City assistance, and provide a maximum level for funding per PSH unit and a minimum percentage of PSH units required for multifamily projects where developers willing to provide PSH units are seeking City assistance; and

**WHEREAS**, the City of Dallas now desires to adopt the modifications to the Permanent Supportive Housing Program Statement attached as Attachment A and Exhibit A; **NOW THEREFORE**,

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

**SECTION 1.** That the City Council authorizes modifications to the Permanent Supportive Housing Program Statement to remove references to any PSH unit creation goals and provide for consideration of City assistance for PSH units when existing units have been absorbed into their communities and services for existing units are stabilized, encourage developers to brief key neighborhood and community groups, provide for staff to notify the City Council when staff receives PSH project proposals seeking City assistance, and provide a maximum level for funding per PSH unit and a minimum percentage of PSH units required for multifamily projects, where developers willing to provide PSH units are seeking assistance from City programs.

**SECTION 2.** That the City Manager is authorized to administer the Permanent Supportive Housing Program Statement.

**SECTION 3.** That, upon approval as to form by the City Attorney, the City Manager is authorized to execute all documents necessary for implementing procedures as set forth in the Permanent Supportive Housing Program Statement including, but not limited to: deeds, release of liens, releases of reverter interests, and deed restrictions.

December 8, 2010

**SECTION 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.

**DISTRIBUTION:**

Housing/Community Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FN

## ATTACHMENT A

### PROGRAM STATEMENT PERMANENT SUPPORTIVE HOUSING PROGRAM (PSH)

**Program Purpose:** To provide permanent supportive housing opportunities to chronically homeless individuals and to strive to ~~[achieve the goals of the Five-Year Plan (PLAN) to]~~ create ~~[700]~~ Permanent Supportive Housing (PSH) units for chronically homeless individuals endorsing citywide implementation based on land availability and cost.

~~[Out of the 700 units:]~~

~~[200]~~ Additional leased units' rent ~~[will]~~ may be paid through the HUD Special Needs Voucher Program presently committed by the Dallas Housing Authority.

~~[500 new units will have a]~~ Provide funding [gap] to build new units [depending on the type of financing structure that is used] and [will require rental subsidies] to subsidize rents for new units when any existing units in the production pipeline have been absorbed into their communities and when services are stabilized.

#### **Client Profile: Chronically Homeless Individuals**

A chronically homeless person is defined as 1) an unaccompanied homeless individual, 2) with a disabling condition, 3) either continuously homeless for a year or more OR at least 4 episodes of homelessness in three years, and 4) must have been sleeping in a place not meant for human habitation, (e.g. living on the streets) and or in emergency homeless shelters during that time.

**Program Description:** When it is determined that additional PSH units are needed and City assistance is sought, PSH Program provides guidance in the implementation and development of [the 700] PSH units [goals]:

Provides rental housing opportunities to chronically homeless individuals through the use of financing for the construction of SROs and multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds.

Authorizes the use of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds, General Obligation Bonds (GOB) and Certificates of Obligation[s] (COs), in accordance with their approved purposes, and to fund project gap requirements to the extent permissible from each funding source, subject to City Council approval of the project and federal, state and local law requirements on a case-by-case basis.

GOB projects will be considered on a case by case basis and approved by City Council as part of an economic development initiative project area, while COs will be used for public works components in project initiatives where the City will own the improvements and will be considered on a case by case basis, approved by City Council and must meet state law requirements. As the program is developed and projects are identified City staff will return to Council with a financing plan to seek the Council's approval on a project-by-project basis.

Provides residential development opportunities as part of economic development projects that include mixed-use[d], mixed-income and retail and commercial master plans.

Allows for ad valorem tax-exemptions, donation of land and/or other City resources when available and necessary to assist in funding the gap in financing.

Developers using Dallas Housing Trust Fund financing may reserve loans for development site rather than a specific buyer.

Assistance can be in the form of a lump sum payment at closing in exchange for the execution and placement of deed restrictions on the property for a 15-year term or longer, depending on the funding source.

An entity controlled by The Dallas Housing Finance Corporation or The Dallas Housing Authority may be the General Partner/Owner for the purpose of obtaining a 100% ad valorem tax exemption.

Encourages Public and Private Partnerships promoting revitalization and economic development initiatives that will provide residential development as part of mixed-use and mixed-income projects.

**Program Policy:**

Applies to multi-family projects receiving financial support from all City sources of funding including but not limited to federal entitlements, tax increment financing districts, tax abatements, public/private partnership funding, general obligation bonds, certificates of obligation, private activity bonds and City of Dallas general funds when PSH units have been identified as part of the project.

Requirements are mandatory for City programs providing financial support for multi-family developments that include PSH units and are in addition to affordable housing requirements of other City development programs except where prohibited by law or where application of the requirements would make conduct of the other City development programs ineffective or impossible.



City and Developers will be subject to all other program requirements established by local, state and federal law including requirements of other Program Statements adopted by City Council.

City staff shall notify the City Council when staff receives PSH project proposals seeking City assistance.

The notifications will include Developer's name, address, and phone; location of the project; type of development eg. new construction, rehabilitation or conversion from commercial to residential. Depending upon the availability of the information and with the understanding that the information is subject to change, the notifications may also include total project cost; total number of residential units; number of market rate units; number of affordable units; number of PSH units; name of agency providing social services; types(s) and amounts of City funding assistance sought.

Before the Council Committee is briefed on the project, Developers and/or applicants of financial assistance should brief key neighborhood and community groups to provide community awareness and obtain community feedback.

City may provide up to a maximum of \$40,000 per unit for Developers willing to provide 10% of the units as appropriately sized and accommodated PSH units and to deed restrict the use of the units for PSH for a term of 15 years in multi-family development projects where the City is able to identify and obtain PSH rental vouchers and provide resources for provision of appropriate and necessary support services.

If Developers apply for financial assistance directly from the Housing Department:

A project using conventional financing and/or other City funding sources such as CDBG, HOME, and GOB proceeds can apply in the form of a letter proposal requesting City assistance addressed to the Housing Director. Applicants can also propose the development of public improvements using CO proceeds that involve infrastructure, utilities, and projects that involve the development of City owned facilities.

Applications for proposed development of PSH, SROs and multi-family projects must include financing provisions for the cost associated with supportive services to chronically homeless individuals. Based on the availability of funding, the City may commit to funding a portion of the required supportive services costs.

For PSH Projects developers applying for financing for the construction of SROs and Multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds:

The applicant must submit[s] a pre-application package along with an initial fee of \$1,000 payable to the City of Dallas in addition to all other required fees for the approval process. The initial fee may be waived for nonprofit developers as deemed appropriate by the Housing/Community Services Department Director.

Developers, and providers of affordable housing seeking City rental housing voucher assistance for PSH units are encouraged to meet with community members, and to brief the City Council Housing Committee in the same manner as recipients of City financial aid for PSH units in multi-family developments.

It is recommended that affordable housing providers obtaining rental housing vouchers from non-City sources follow the same requirements and procedures as developers and affordable housing providers seeking City rental housing voucher assistance.

The City invites other nonprofit and governmental bodies and agencies to join in the City's effort to provide PSH opportunities through legislative or board adoption of this or similar policies for creation of PSH units.

#### **Program Funding Year:**

City assistance for the purpose of creating PSH units can be applied for all year long; however, the City begins a new funding year on October 1<sup>st</sup> of each year in accordance with its budget calendar. Projects will be considered when it is determined that additional PSH units are needed and City resources are available.

#### **Criteria Evaluation of Projects**

Housing staff will evaluate each project based on established underwriting criteria for multifamily projects applying for financial assistance and the City's approved criteria on Exhibit "A" attached

City Manager is authorized to establish guidelines and procedures to administer this program in accordance with this Program Statement and applicable federal and local regulations.

**EXHIBIT "A"**  
**Criteria for Multifamily Projects**

1. Where the proposed project fits within the City's priorities which follow in order of priority:
  - a. Demolition and reconstruction of an existing substandard multifamily development;
  - b. Rehabilitation of an existing multifamily development;
  - c. New construction of housing for special needs such as senior households, AIDS or other disabilities, youth projects, including housing for the homeless on an individual basis; or
  - d. Accept applications for projects using conventional financing methods and tax credit financed projects for new construction of housing for chronically homeless individuals with a priority given to Master Plan Developments, Mixed Income Developments and Transit Oriented Developments.
2. Whether the City has already provided, or committed to provide, direct financial assistance to the project.
3. Whether the project involves the elimination of slum or blight already existing on the subject property.
4. Whether the site has or can obtain appropriate zoning for the project.
5. The proximity and capabilities of nearby schools, and comments of school district officials regarding the project.
6. The comments of owners and residents of properties located in the surrounding area at a public meeting held in the community in which the project will be located, attended by City of Dallas or Dallas Housing Finance Corporation representatives.
7. Whether there is already an over-concentration of SROs or multifamily developments in the surrounding area.
8. Whether the applicant has agreed to incorporate appropriate safety and security features into the project.
9. Whether the applicant has responded to and/or plans to address the lawful concerns, if any, raised by residents or owners of properties in the surrounding area.
10. Whether the proposed project will be of high quality.

**EXHIBIT "A"**  
**Criteria for Multifamily Projects**  
**(Continued)**

11. Whether the applicant has taken into consideration, in the project design, the standard or specialized needs of expected tenants.
12. Whether the proposed project will have an adverse effect on the surrounding area.
13. Whether the project is compatible with existing or anticipated single-family developments in the surrounding area.
14. Whether the estimated parking demand and trip generation for the project will impose an undue burden on public facilities.
15. Whether the current and probable future capacities of adjacent and nearby streets on the City's thoroughfare plan are adequate to address any anticipated changes caused by the project.
16. Whether there is existing or proposed adequate public transit available.
17. Whether the location, density and height of the buildings, structures, and equipment will be detrimental or injurious to future development of the surrounding area or otherwise impose an undue burden on public facilities.
18. Whether trees will be planted or protected and other landscaping provided to create, preserve, and enhance the natural beauty and vegetative space in the vicinity of the project.
19. Whether managers of the project will reside on site.
20. Whether the applicant has demonstrated the financial capacity to complete and operate the project in accordance with supportive services needs of the chronically homeless individuals.
21. Whether the proposed project's rental market has the ability to absorb the proposed additional rental units.
22. Proposed financing for the construction of Single Room Occupancy (SROs) and multifamily programs using 9% tax credits with conventional financing, 4% tax credits and tax-exempt bonds requires that if two or more new projects are proposed within a mile of each other, whether either or any of the projects:

**EXHIBIT "A"**  
**Criteria for Multifamily Projects**  
**(Continued)**

- a. Contributes to the rehabilitation or elimination of substandard housing;
- b. Provides a significantly lower density of units per acre; or
- c. Provides revenues for the creation or support of additional affordable housing for chronically homeless individuals.

23. Whether the Applicant has presented a suitable development plan for the entire development site, including property acquired by the Applicant in excess of that to be developed specifically for the project.

24. Whether there exists any other factor relevant to the issue of whether the project is in the best interest of the City of Dallas.

**KEY FOCUS AREA:** A Cleaner, Healthier City Environment  
**AGENDA DATE:** December 8, 2010  
**COUNCIL DISTRICT(S):** 3, 4  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** 43F 55K 55T

---

### **SUBJECT**

Authorize the reconstruction on-site of three homes in accordance with the Reconstruction/SHARE Program Statement requirements for properties located at: 4107 Furey Street in the amount of \$93,400; 1551 East Ohio Avenue in the amount of \$93,400 and 1215 Woodview Lane in the amount of \$93,400 - Total not to exceed \$280,200 - Financing: 2009-10 Community Development Block Grant Reprogramming Funds

### **BACKGROUND**

The homeowners herein described and their properties are eligible for a Reconstruction/SHARE Program loan. The homeowners are below 80% AMFI and their names, ages and property addresses are as follows: Tyrone Andrews and Jeanette Andrews, an elderly couple, 70 & 69 years old, residing at 4107 Furey Street; Charles O. C. Miller and Glen R. Thompson, an elderly Uncle & Nephew, 70 & 78 years old, residing at 1551 E. Ohio Avenue; and Gloria Higgins, an elderly female, 64 years old, residing at 1215 Woodview Lane.

On November 12, 2007, City Council approved an amendment to the Program Statement for the Home Repair Program which authorized loans for reconstruction of homes on-site to low-income homeowners in Dallas earning less than 50% Citywide, and 80% in NIP areas of Area Median Family Income (AMFI).

On October 8, 2008, City Council approved an amendment to the Program Statement for the Home Repair Program which authorized loans for reconstruction of homes on-site to low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI), and are older than 62 years of age or disabled, and to provide assistance with one (1) tax and insurance payment.

On December 9, 2009, City Council approved an amendment to the Program Statement for the Reconstruction/SHARE program to provide to homeowners a maximum of \$93,400 for a new home on-site of approximately 1,200 sq ft.

## **BACKGROUND (continued)**

On September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program to include reconstruction of homes with a failure of 3 systems and a foundation, and/or life, safety and health concerns. Allow payoff of liens up to the dollar amount of the amenities package of \$5,900.00; this reduces the dollar amount available for reconstruction to no less than \$87,500 annually, a 10% set-aside of funds will be used to assist persons younger than 62 years old, or without a disability, and still meeting all other criteria

City Council authorization is required prior to proceeding with reconstruction on-site when all of the following conditions exist: (a) repairs necessary to meet the City's locally adopted Housing Rehabilitation Standards or Federal Housing Quality Standards and all applicable codes cannot be accomplished within the program funding limits; (b) the conditions of the home create an imminent danger to the life, health and/or safety of the residents, and/or the neighborhood; and (c) repairs are not feasible to extend the life of the repaired structure beyond 15 years.

This action provides authority to proceed with reconstruction of the three (3) single-family homes on-site, in compliance with the conditions listed above.

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

On November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions for assistance up to \$87,500 by Resolution No. 07-3307.

On April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to add an amenities package up to \$5,900 by Resolution No. 08-1266.

On October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI), and are older than 62 years of age or disabled, and to provide assistance with one (1) tax and insurance payment by Resolution No. 08-2768.

On December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951.

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

On September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 10-2465.

**FISCAL INFORMATION**

2009-10 Community Development Block Grant Reprogramming Funds- \$280,200

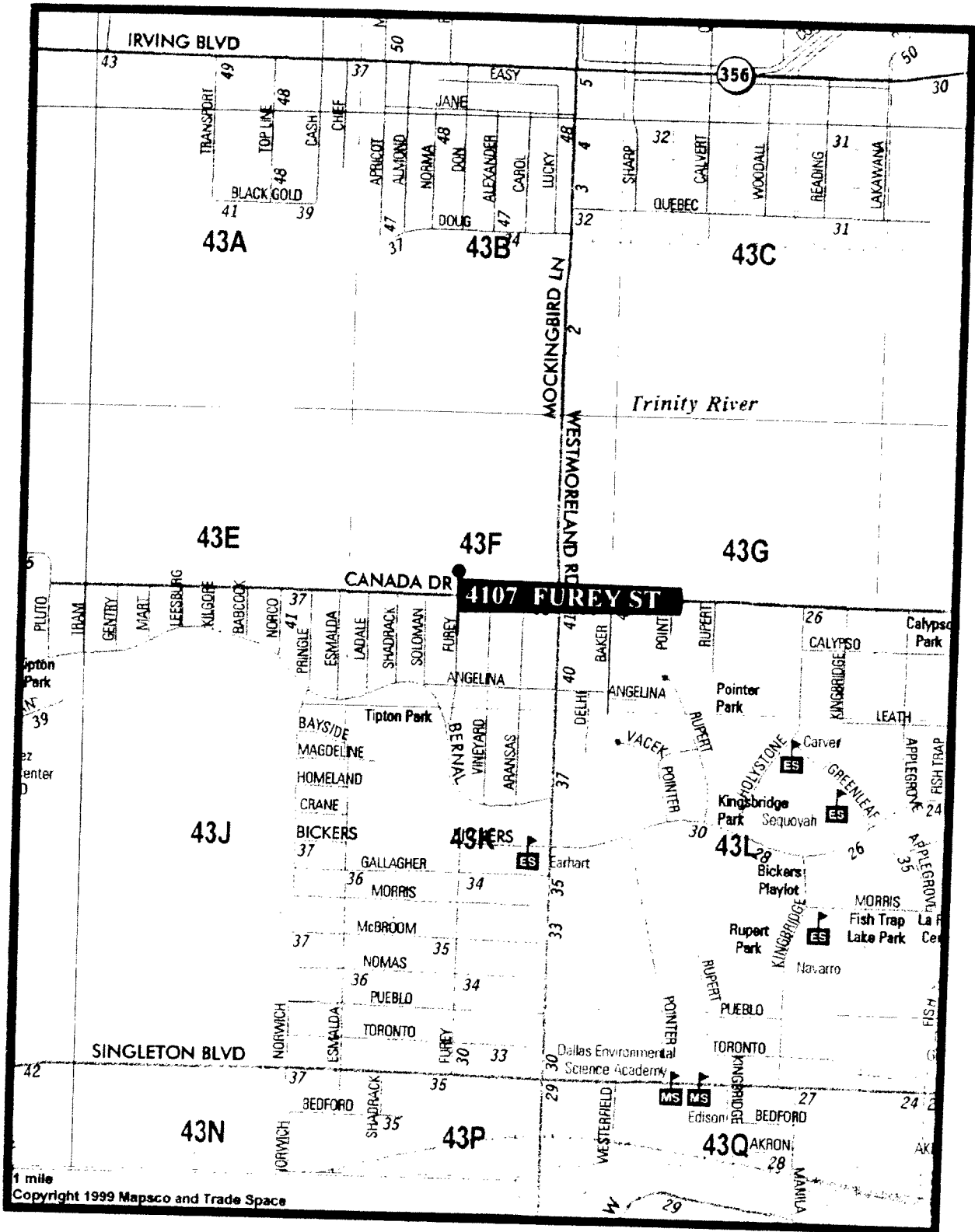
Council District 3 - \$93,400

Council District 4 - \$186,800

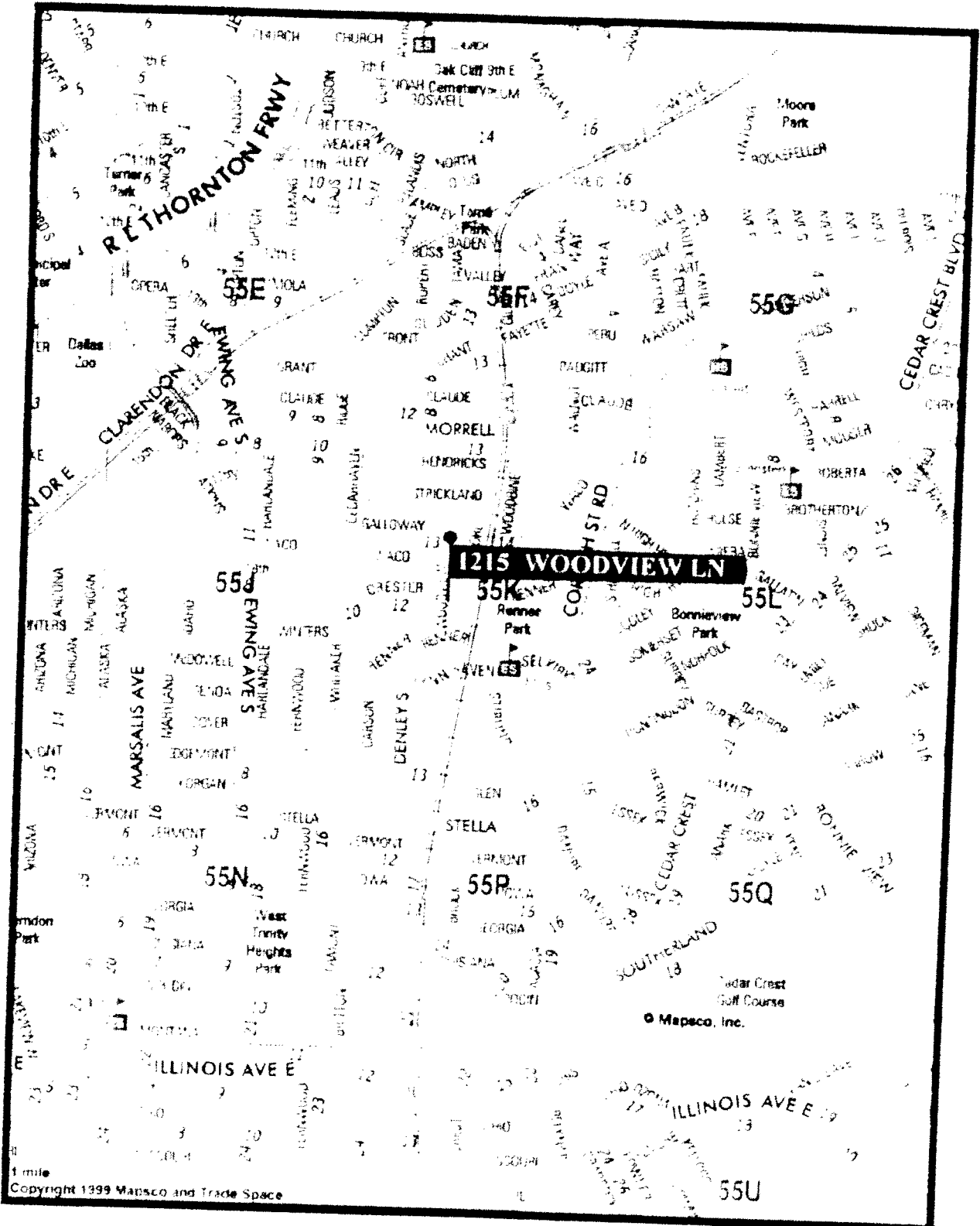
**MAP(S)**

Attached

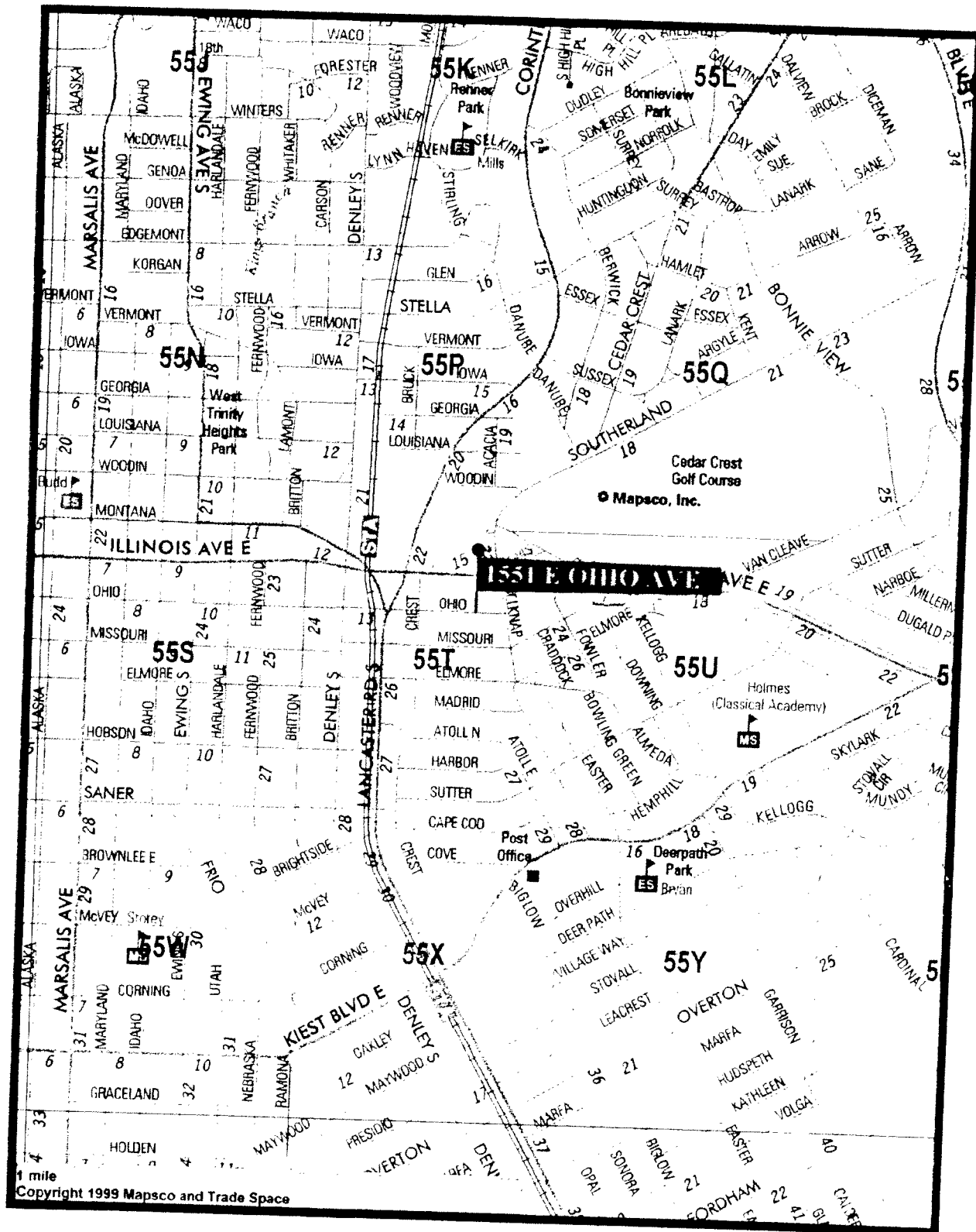




**MAPSCO 43F**



**MAPSCO 55K**



**MAPSCO 55T**

December 8, 2010

**WHEREAS**, on November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions and for assistance up to \$87,500 by Resolution No. 07-3307; and

**WHEREAS**, on April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement which added an amenities package up to \$5,900 by Resolution No. 08-1266; and

**WHEREAS**, on October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners at 80% of AMFI, and older than 62 years old or disabled, and to provide assistance with one (1) tax and insurance payment; and

**WHEREAS**, on December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951; and

**WHEREAS**, on September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 10-2465; and

**WHEREAS**, the homeowners herein described made applications to the Home Repair Program: Tyrone Andrews & Jeanette Andrews at 4107 Furey Street; Charles O. C. Miller & Glen R. Thompson at 1551 E. Ohio Avenue; and Gloria Higgins at 1215 Woodview Lane ;and

**WHEREAS**, all three conditions outlined in the Reconstruction/SHARE Program Statement for reconstruction of homes on-site were met for the property owners: Tyrone Andrews & Jeanette Andrews; Charles O. C. Miller & Glen R. Thompson; and Gloria Higgins; **NOW, THEREFORE,**

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

**SECTION 1.** That the applications and properties from the homeowners described herein for reconstruction loans be approved under the Reconstruction/SHARE Program: Tyrone Andrews & Jeanette Andrews at 4107 Furey Street; Charles O. C. Miller & Glen R. Thompson at 1551 E. Ohio Avenue; and Gloria Higgins at 1215 Woodview Lane. The loans are in the amount shown in Section 3 hereof.

December 8, 2010

**SECTION 2.** That the City Manager, upon approval as to form by the City Attorney, is authorized to execute the following loan documents: Tyrone Andrews & Jeanette Andrews for reconstruction on-site at 4107 Furey Street; Charles O. C. Miller & Glen R. Thompson for reconstruction on-site at 1551 E. Ohio Avenue and Gloria Higgins for reconstruction on-site at 1215 Woodview Lane.

**SECTION 3.** That the City Controller is authorized to make payments for reconstruction of the home in accordance with the following funding information:

Fund 09R1 Dept HOU, Unit 653B, Obj 3099 CT HOU653BB495 - \$93,400  
Vendor # VS0000040190 – Altura Homes DFW, LP – 4107 Furey Street

Fund 09R1 Dept HOU, Unit 653B, Obj 3099 CT HOU653BB497 - \$93,400  
Vendor # 339393 – Bethel Construction – 1551 E. Ohio Avenue

Fund 09R1 Dept HOU, Unit 653B, Obj 3099 CT HOU653BB496 - \$93,400  
Vendor # VS0000030119 – Myers Custom Builders – 1215 Woodview Lane

**SECTION 4.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas and it is accordingly so resolved.

**DISTRIBUTION:**

Housing/Community Services Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FS

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** December 8, 2010  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

---

### **SUBJECT**

A public hearing to receive comments on Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP); and at the close of the hearing, authorize final adoption of Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the NSP to: **(a)** amend the Program Statement, Attachment A, Activity 1, Terms for Grants and Loans to modify provisions with respect to the AR Program from a tiered grant/loan to a homebuyer to a flat grant up to \$25,000 per homebuyer; **(b)** the receipt and deposit of program income in an amount not to exceed \$2,200,000 generated from NSP activities; and **(c)** the establishment of appropriations in an amount not to exceed \$2,200,000 in the NSP Program Income Fund to be used for other eligible activities - Estimated Revenue: \$2,200,000

### **BACKGROUND**

In July 2008, the Housing and Economic Recovery Act of 2008 (HERA) was enacted into law. HERA appropriated \$3.92 billion to assist states and localities in redevelopment efforts, particularly for foreclosed or abandoned housing properties. The Program is referred to as the Neighborhood Stabilization Program (NSP) and is considered a Special Allocation of 2008 Community Development Block Grant Funds.

On September 26, 2008, the City of Dallas was notified of its allocation of \$7,932,555 of NSP funds. Allocations to states and localities were based on percentage and number of home foreclosures, homes financed by sub prime mortgage related loans, and homes in default or delinquency.

## **BACKGROUND (continued)**

Localities who wished to accept the allocation of NSP funds submitted an amendment to their Consolidated Plan on December 1, 2008. The City of Dallas amendment included identification of the "Areas of Greatest Need" based upon the greatest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage loans, and areas identified as likely to face a significant rise in foreclosures.

The NSP funds may benefit low, moderate and middle income persons up to 120% Area Median Family Income (AMFI) for Dallas and 25% of the NSP funds must benefit low income persons up to 50% AMFI. The use of the funds must comply with the requirements under the HERA; the Community Development Block Grant regulations; the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970, and other federal requirements.

Notice of the allocation of NSP funds was provided to the public on October 23, 2008 and comments as to the use of funds were requested. On November 17, 2008, the Housing Committee of the City Council was briefed on the NSP and reviewed recommendations for the use of funds. On November 19, 2008, City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds, which included \$2.5 million for Acquisition, Demolition, and Redevelopment of Foreclosed and Abandoned Properties (ADR), \$4,639,300 for Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR), and \$793,255 to provide for the administration, planning, oversight, reporting and implementation of projects to be funded by NSP over a four year period.

This Council action would provide final approval to (1) amend the current program statement Activity 1, Terms for Grants and Loans, to provide up to \$25,000 per unit and, (2) authorize the receipt and deposit of program income, and (3) authorize appropriation of NSP program income for the production of additional affordable units.

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

On September 2, 2008, the Housing Committee was briefed on the City of Dallas foreclosure activity.

On November 3, 2008, the Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending Neighborhood Stabilization Program (NSP) allocations.

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

On November 17, 2008, the Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds.

On November 19, 2008, the City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds by Council Resolution No. 08-3195.

On February 25, 2009, the City Council authorized the acceptance of the NSP funds by Council Resolution No. 09-0530.

On December 9, 2009, the City Council authorized substantial amendment No. 4 to the 2008-09 Consolidated Plan for the NSP Program by Council Resolution No. 09-3019.

On June 23, 2010, the City Council authorized a public hearing for the (1) Substantial amendment No. 5 to the FY 2008-2009 Consolidated Plan to amend the program statement to include Activity 4- Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties (2) Reprogram of funds from Activity 2-Acquisition, Rehabilitation, & Sale/Rent (ARSR) Foreclosed Properties to Activity 4- Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties and (3) Reprogram \$1,300,000 from Activity 2-ARSR to Activity 1-Acquisition, Demolition, Maintenance, Redevelopment, & Sale for Land Banking Program (ADR).

On August 25, 2010, the City Council approved final adoption of the (1) Substantial amendment No. 5 to the FY 2008-2009 Consolidated Plan to amend the program statement to include Activity 4- Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties (2) Reprogram of funds from Activity 2-Acquisition, Rehabilitation, & Sale/Rent (ARSR) Foreclosed Properties to Activity 4- Acquisition, Redevelopment, & Sale of Foreclosed/Abandon Properties and (3) Reprogram \$1,300,000 from Activity 2-ARSR to Activity 1-Acquisition, Demolition, Maintenance, Redevelopment, & Sale for Land Banking Program (ADR).

On November 15, 2010, the Housing Committee was provided an update briefing on NSP activities to date.

**FISCAL INFORMATION**

Estimated Revenue: \$2,200,000



December 8, 2010

**WHEREAS**, On September 2, 2008, the City Council Housing Committee was briefed on the City of Dallas foreclosure activity; and

**WHEREAS**, On November 3, 2008, the City Council Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending Neighborhood Stabilization Program (NSP) allocations; and

**WHEREAS**, On November 17, 2008, the City Council Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds; and

**WHEREAS**, On November 19, 2008, the City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds; and,

**WHEREAS**, On February 25, 2009, the City Council authorized the acceptance of the NSP funds; and,

**WHEREAS**, On December 9, 2009, the City Council authorized Substantial Amendment No.4 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program; and,

**WHEREAS**, On June 23, 2010, the City Council authorized the public hearing for the adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program; and

**WHEREAS**, On August 25, 2010, the City Council authorized final adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program; and

**WHEREAS**, Program income generated through NSP activities must be used for other NSP eligible activities; **NOW, THEREFORE**,

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

**SECTION 1.** That a public hearing is held on December 8, 2010 to receive comments on the proposed Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP) to: **(a)** amend the Program Statement, Attachment A, Activity 1, Terms for Grants and Loans to modify provisions with respect to the AR Program from a tiered grant/loan to a homebuyer to a flat grant up to \$25,000 per homebuyer; **(b)** the receipt and deposit of program income in an amount not to exceed \$2,200,000 generated from NSP activities; and **(c)** the establishment of appropriations in an amount not to exceed \$2,200,000 in the NSP Program Income Fund to be used for other eligible activities.

December 8, 2010

**SECTION 2.** That the final adoption of the Substantial Amendment No. 7 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP) to: **(a)** amend the Program Statement, Attachment A, Activity 1, Terms for Grants and Loans to modify provisions with respect to the AR Program from a tiered grant/loan to a homebuyer to a flat grant up to \$25,000 per homebuyer; **(b)** the receipt and deposit of program income in an amount not to exceed \$2,200,000 generated from NSP activities; and **(c)** the establishment of appropriations in an amount not to exceed \$2,200,000 in the NSP Program Income Fund to be used for other eligible activities is hereby approved.

**SECTION 3.** That the City Controller is hereby authorized to receive and deposit the NSP Program Income funds in the amount of \$2.2M in the Neighborhood Stabilization Program Fund NS08, Department HOU, Unit 413A, Revenue Source Code 8474.

**SECTION 4.** That the City Manager is hereby authorized to establish appropriations in the amount of \$2.2M in Fund NS08, Department HOU, Unit 413A.

**SECTION 5.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

**Program Purpose:** To provide Neighborhood Stabilization Program (NSP) funding for the establishment of financing mechanisms for 1) the acquisition, demolition, maintenance, redevelopment and sale of foreclosed or abandoned single-family homes and multi-family properties, and the acquisition of vacant, abandoned or foreclosed land operated by the Dallas Housing Acquisition and Development Corporation (DHADC); 2) the acquisition, rehabilitation, and sale/rent of improved properties that have been foreclosed, on a bulk sales basis; 3) program administration; and 4) the acquisition, redevelopment, and sale of foreclosed/abandoned and vacant properties.

Acquisitions could include duplexes and four-plexes, multifamily properties for Permanent Supportive Housing redevelopment, including Homeless rental units, to achieve affordability for low and moderate-income homebuyers and renters. To benefit NSP designated neighborhoods through the making of loans/grants that promote activities that contribute to the development of viable neighborhood communities by providing decent housing and a suitable living environment. Both components will increase the supply of existing and new affordable single-family housing, workforce housing and multifamily development.

Funding: \$7,139,300 – NSP/Community Development Block Grant Funds (CDBG)

Twenty-five percent (25%) of the NSP funds must be used for housing individuals and families whose incomes do not exceed 50 percent of AMFI. NSP funds will be made available to interested parties via Request for Application (RFA), under all development activities.

NSP Areas: NSP areas are identified as “Areas of Greatest Need” (AGN). Areas were selected based on the greatest percentage of home foreclosures; highest percentage of homes financed by a subprime mortgage related loan; and identified as likely to face a significant rise in the rate of home foreclosures. Each AGN is identified by a MAPSCO page because they represent smallest areas in foreclosure data base. There are a total of 13 AGN authorized by the City.

**Implementation:** The City Manager, or his designee, is authorized to implement the Housing/Community Services NSP program as per this Program Statement and execute any documents necessary to implement this program. The City of Dallas Housing/Community Services Director approves NSP funding for each project with fewer than 50 units. Development funding for projects with 51 units or more requires City Council approval. Evaluation criteria includes: developer

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

experience, ability to complete work within proposed financing schedules, and ownership/financial strategy.

#### **Activity 1: Available Funding: \$3,800,000- Acquisition, Demolition, Maintenance & Redevelopment and Sale for Land Banking Program (ADR) Description:**

The City Housing Department, through the Land Bank section of the DHADC, will purchase improved properties that have been foreclosed upon, identified as abandoned or blighted structures and/or improved properties which are unoccupied, and vacant, abandoned or foreclosed land within the designated "Areas of Greatest Need."

- Abandoned - A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, the property has been unoccupied for at least 90 days, and/or no mortgage or tax payments have been made by the property owner for at least 90 days.
- Properties will be demolished and land banked for up to 10 years, pursuant to NSP federal guidelines. The vacant properties will be maintained by the City and held for future sale to developers for development of new affordable and workforce single-family housing and for development of multifamily projects.
- The City of Dallas may demolish up to 50 units under the land bank portion of the NSP
  - Under the NSP, one-for-one replacement requirements under CDBG regulations have been waived
  - The City of Dallas will not use eminent domain or allow for involuntary sales in its NSP

#### **Redevelopment of Properties**

1. The Housing Department will provide non-profit & for profit entities (the "Developer") loans/grants for the purchase, redevelopment, and sale of foreclosed/abandoned and vacant residential properties for sale to families at 120% or below of AMFI.
2. All acquisition/redevelopment must be with land banked properties.

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

3. Eligibility requirements will be observed in accordance with federal guidelines.
4. The City Housing Department will solicit applications via a Request for Application (RFA) that includes project and selection criteria.
5. Development experience, financial capacity, and production timeline will all be considered in contract awards.
6. Housing/Community Services Department Director (or designee) will provide approval of individual applications for funding under this program.
7. The City Housing/Community Services Department is responsible for implementation, monitoring, and evaluation under this program.

#### **Additional Provisions for AR Program**

- Require a minimum of 4 foreclosed/abandoned and vacant property acquisitions per application
- Require an environmental assessment report on each property acquired
- Redeveloped properties will carry a 15 year affordability deed restriction
- Proceeds from the sale of the redeveloped property will be returned to the City of Dallas for reuse on additional Land Bank program properties

- Terms for grants and loans are as follows:

<b>Homebuyer Income</b>	<b>Grant</b>
50% or Below AMFI	Up to 50% of total costs
51% to 80% AMFI	Up to 25% of total costs
81% to 120% AMFI	Up to 10% of total costs

- Provide up to \$25,000 of the total costs as a grant to the homebuyer
- Developer must sell redeveloped properties for total cost (acquisition & redevelopment) minus amount of grant from City of Dallas
- AR Program homebuyers will be eligible for up to a maximum of \$5,000 for down payment and closing costs

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- Program Income generated through Activity #1 will be reused for this activity.

#### **Activity 2: Available Funding: \$839,300- Acquisition, Rehabilitation, & Sell/Rent Foreclosed Properties Program (ARSR) Description**

The City of Dallas Housing Department will provide funds to qualified non-profit and for-profit developers to assist with acquisition and rehabilitation costs of single-family and multi-family properties that have been foreclosed. Acquired properties must be rehabilitated, sold or rented to achieve affordability for low and moderate-income homebuyers and renters. The ARSR program funds will benefit NSP neighborhoods by making of loans/grants that promote activities which contribute to the development of viable communities by providing decent housing and a suitable living environment, and to increase the supply of new affordable housing for individuals and families.

- The Housing Department will provide non-profit and for-profit entities (the “Developer”) loans/grants for the purchase and rehabilitation of foreclosed homes and residential properties for sale or rent to families at 120% or below of AMFI.
- The City Housing Department will solicit proposals via a Request for Application (RFA) that includes project and selection criteria for acquisition and rehabilitation of properties.
- At a minimum, the project must meet applicable City Codes, and locally adopted Minimum Housing Standards (MHS).
- Affordability requirements and eligibility requirements will be observed in accordance with federal guidelines.
- The RFA will include a listing of properties that have been foreclosed for each of the MAPSCO pages designated as an AGN by the City Council. The foreclosure listing will be the most recently updated data available to the City; however, there may be properties on the foreclosure listing that have already been sold by the lender/owner.

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

#### AREAS OF GREATEST NEED

No.	MAPSCO Page	# of Foreclosures	City Council Districts
1	65	161	8,5,4
2	59	151	8,5
3	46	135	7
4	55	132	4
5	54	127	3,4,1
6	56	127	4,5,7
7	64	124	5,8,4
8	58	102	5,8,4
9	66	100	8,5
10	48	90	7,4
11	53	89	8,5,3,1
12	69	68	8
13	69A	50	8
<b>Total</b>		<b>1456</b>	

- All acquisition of foreclosed properties must be located in the following designated MAPSCO pages that included the highest number of foreclosure concentrations, corresponding Foreclosure Needs Score (FNS), as published by the LISC Foreclosure Response Project issued October 2008 (FNS with a score of 100 being the highest needs category) and corresponding ZIP Codes.

#### **RFP Foreclosure List will be made available for the following MAPSCO Pages**

- 65:** 161 foreclosures includes ZIP Codes 75216 that has a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores), and 75241 with a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)
- 59:** 151 foreclosures includes ZIP Codes 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas, and 75227 that has a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores)

**ATTACHMENT A**  
**PROGRAM STATEMENT**  
**NEIGHBORHOOD STABILIZATION PROGRAMS**  
**(NSP)**

- 46**: 135 foreclosures includes ZIP Codes 75215 with an 11.6 FNS; 75223 with a 2.3 FSN; 75210 with a 5.2 FSN; 75204 with a 1.1 FSN; 75214 with a 1.1; 75246 with a 1.1 FSN having the 3<sup>rd</sup> highest number of foreclosures
- 55**: 132 foreclosures includes ZIP Codes 75215 with a 11.6 FNS; 75203 with a 5.5 FNS; 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)
- 54**: 127 foreclosures includes ZIP Codes 75208 with a 5.6 FNS and 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores)
- 56**: 127 foreclosures includes ZIP Codes 75215 with 11.6 FNS and 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)
- 64**: 124 foreclosures includes ZIP Codes 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores) and 75232 with a 39.1 (37.6 Subprime, 38.7 foreclosure and 37.6 delinquency scores)
- 58**: 102 foreclosures includes ZIP Codes 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores) and 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas
- 66**: 100 foreclosures includes ZIP Codes 75216 with a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores) and 75241 with a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)
- 48**: 90 foreclosures includes ZIP Codes 75228 with a 20.8 FSN (24.1 Subprime, 12.4 foreclosure and 18.9 delinquency scores) and 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores)
- 53**: 89 foreclosures includes ZIP Codes 75211 with an 30.0 FNS (31.6 Subprime, 15.0 foreclosure and 31.0 delinquency scores) and 75233 that has a 12.6 FNS (8.8 Subprime, 6.9 foreclosure and 12.1 delinquency scores)



## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

**69:** 68 foreclosures includes ZIP Codes 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas; and 75253 that has a 10.2 FNS (8.7 Subprime, 17.1 foreclosure and 8.6 delinquency scores)

**69A:** 50 foreclosures includes ZIP Code 75253 that has a 10.2 FNS (8.7 Subprime, 17.1 foreclosure and 8.6 delinquency scores)

#### **Program Operations:**

ARSR Activities will proceed as follows:

- ARSR Request for Applications (RFA) are made when available funding is sufficient to support a NSP project request according to the requirements of this program statement.
- ARSR contract awards will be made through an RFA that will be mailed to interested entities for the acquisition, rehabilitation and sale of foreclosed properties as follows:
  - Prior to mail out of any RFA, a letter will be sent to entities on City's non-profit, for-profit mailing list and an ad placed in the Dallas Morning News announcing NSP funding availability
- The letter outlining the terms, process and requirements of the City of Dallas' NSP will include MAPSCO pages identifying "Areas of Greatest Need" that have been approved by the City Council
- Interested entities will be required to respond within 2 weeks identifying one or all of the MAPSCO pages if they intend to participate
- RFA package will be sent to each interested applicant, detailing all the requirements for participation in the NSP
- Capacity, development experience, financials and production will all be considered in recommending a contract award
- RFA will include list of all known foreclosed properties in each MAPSCO area elected by proposer

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- Applicants will have 30-days to respond to the RFA
- Proposer will identify proposed foreclosure acquisitions by address
  
- Those applicants receiving an award will be provided a letter from City that can be used in negotiating the acquisition of properties with the owner of the property (lender), and with a commitment to advance funds for a period of 90 days
  
- Applicant will have 90 days to submit sales contracts to City
  
- Once sales contract(s) are received, Applicant will have up to 90 days to complete each environmental, appraisal, title commitment, survey and close on the property
  
- City staff is responsible for reviewing completeness of funding ARSR/ADR proposals and determining if the applicant meets the minimum requirements, prior to briefing and a recommendation for funding to the Dallas City Council's Housing Committee.
  
- Those applications not meeting the RFP criteria will not be sent to the Housing Committee for consideration.
  
- The City Housing Department is responsible for seeking Housing Committee and City Council approval, timing of the RFA, entering into a contract with the successful Developer, and monitoring of the loan.
  
- The City reserves the right to reject all proposals/applications.
  
- The Developer who purchases foreclosed properties from lenders/owners in the designated NSP Areas will be responsible for: 1) providing documentation of purchase of the foreclosed single-family or multi-family properties in the NSP Areas; 2) securing primary financing with guarantees where required; 3) securing commitment(s) from home builders (if applicable); 4) completing the project on time and within budget; and 5) managing the rehabilitation and/or build-out of the development.
  
- The ARSR Activity will:
  - Require a minimum of 10 foreclosed property acquisitions per NSP proposal

## ATTACHMENT A

### PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- Restrict the acquisition and rehabilitation to homes built after 1978
- Require a 1 % or greater discount off appraised value on the acquisition of a property from a lender
- Require an environmental assessment report on each property acquired
- Require an appraisal no more than 60 days prior to date of acquisition (lender may provide current appraisal)
- Provide 50% of the acquisition cost for homes to be acquired by qualified entities @ 0% interest loan
- Provide up to \$20,000 in a deferred loan, for rehabilitation cost, to bring the home up to minimum housing standards
- Require full insurance coverage to protect against theft, vandalism and other losses until home is sold
- Allow the contractor a maximum developer fee of 20% on the sale or rental of each home
- Apply affordability period pursuant to HOME regulations, will be a 15 year deed restriction
- Require the Developer to pay City's acquisition loan in full, upon sale and closing of permanent loan to homebuyer
- Require Developers to maintain properties in order to avoid City Code Compliance Department (CCD) violations.
- All NSP property addresses have been provided to the CCD for monitoring purposes
- ARSR Loans may be negotiated as a rental/lease with option to buy, with home sold to qualified homebuyer no later than 5 years of acquisition from lender with a balloon payment made to the City for 50% of the initial acquisition cost. Homes not sold within the 5 year period will convert to rental units and will remain affordable for a period not to exceed a total of 15 years.
- Provisions for Insurance and Maintenance will be required until home is sold
- Program Income generated through Activity #2 will be reused for this activity.

**ATTACHMENT A**

**PROGRAM STATEMENT**  
**NEIGHBORHOOD STABILIZATION PROGRAMS**  
**(NSP)**

**Additional Requirements**

- The Developer or any of its associated companies must not have any outstanding compliance issues, delinquent taxes, or code violations with the City of Dallas.
- The Developer, or any of its associated companies, must not have had any bankruptcies in the last seven (7) years.

**Activity 3: Available Funding: \$793,255- Program Administration**

- General administration and planning activities for the City of Dallas

**Activity 4: Available Funding: \$2,500,000- Acquisition, Redevelopment, & Sale of Foreclosed/Abandoned Properties (AR) Description**

The City of Dallas Housing Department will provide funds to qualified non-profit developers that are also certified Community Housing Development Organizations (CHDOs) to acquire, redevelop (construct), and sell single-family homes on foreclosed/abandoned and vacant properties.

1. The Housing Department will provide non-profit entities (the “Developer”) loans/grants for the purchase, redevelopment, and sale of foreclosed/abandoned and vacant residential properties for sale to families at 50% or below of AMFI.
2. All acquisition of foreclosed/abandoned and vacant properties must be located in the City designated Areas of Greatest Need (AGN)
3. Eligibility requirements will be observed in accordance with federal guidelines.
4. The City Housing Department will solicit applications via a Request for Application (RFA) that includes project and selection criteria.
5. Development experience, financial capacity, and production timeline will all be considered in contract awards.
6. Housing/Community Services Department Director (or designee) will provide approval of individual applications by CHDOs for funding under this program.
7. The City Housing/Community Services Department is responsible for

implementation, monitoring, and evaluation under this program.

### **Additional Provisions for AR Program**

- Require a minimum of 4 foreclosed/abandoned and vacant property acquisitions per application
- Require an environmental assessment report on each property acquired
- Provide up to 50% of the redevelopment total costs, including acquisition costs, as a grant to the homebuyer
- Redeveloped properties will carry a 15 year affordability deed restriction
- CHDO developer must sell redeveloped property for 50% of redevelopment total cost, including acquisition costs
- Proceeds from the sale of the redeveloped property will be returned to the City of Dallas for reuse on additional AR program properties
- CHDO developer must sell redeveloped property to a household with income at or below 50% of Area Median Family Income (AMFI)
- AR Program homebuyers will be eligible for up to a maximum of \$5,000 for down payment and closing costs
- Program Income generated through Activity #4 will be reused for this activity.