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**ECONOMIC DEVELOPMENT & HOUSING COMMITTEE**  
DALLAS CITY COUNCIL COMMITTEE AGENDA

2017 SEP 29 AM 8:48

CITY SECRETARY  
DALLAS, TEXAS

MONDAY, OCTOBER 2, 2017  
CITY HALL  
COUNCIL BRIEFING ROOM, 6ES  
1500 MARILLA STREET  
DALLAS, TEXAS 75201  
9:00 A.M. – 10:30 A.M.

*Chair*, Councilmember Tennell Atkins  
*Vice-Chair*, Councilmember Rickey D. Callahan  
Councilmember Lee M. Kleinman  
Councilmember Scott Griggs  
Councilmember Casey Thomas, II  
Councilmember B. Adam McGough  
Councilmember Mark Clayton  
Councilmember Kevin Felder  
Councilmember Omar Narvaez

Call to Order

1. Approval of September 18, 2017 Economic Development & Housing Committee Minutes

**BRIEFINGS**

2. Dallas Homebuyer Assistance Program Update  
David Noguera, Director  
Housing & Neighborhood Revitalization
3. Amendments to the Regional Assessment  
of Fair Housing  
Beverly Davis, Assistant Director  
Fair Housing and Human Rights Office

**Upcoming City Council Agenda Item**

4. HUD Fair Housing Cooperative Grant  
Beverly Davis, Assistant Director  
Fair Housing and Human Rights Office

Adjourn

  
Tennell Atkins, Chair  
Economic Development & Housing Committee

**EXECUTIVE SESSION NOTICE**

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex. Govt. Code §551.089]

**Handgun Prohibition Notice for Meetings  
Of Governmental Entities**

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistola oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a propiedad con una pistola a la vista."*

# Economic Development & Housing Committee

**DRAFT**

## Meeting Record September 18, 2017

The Economic Development & Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Committee Coordinator at 214-670-3906 or 214-670-1686.

**Meeting Date:** September 18, 2017

**Meeting Start time:** 9:08 A.M.

<b>Committee Members Present:</b>	<b>Staff Present:</b>
Tennell Atkins (Chair) Rickey D. Callahan (Vice-Chair) Scott Griggs Casey Thomas, II B. Adam McGough Mark Clayton Kevin Felder Omar Narvaez	Raquel Favela, Chief of Economic Development & Neighborhood Services Robin Bentley, Interim Director-Office of Economic Development Janis Burklund, Manager-Office of Economic Development
<b><u>Other Council Members Present:</u></b>	
<b><u>Committee Members Absent</u></b> Lee M. Kleinman	

### AGENDA:

#### **Housing Committee Meeting Called to Order by CM Tennell Atkins**

1. **Approval of September 5, 2017 Economic Development Minutes & Housing Committee Meeting**  
Presenter(s): CM Tennell Atkins

**Action Taken/Committee Recommendation(s):** Motion made to approve the minutes.

<b>Motion made by:</b> CM Mark Clayton	<b>Motion seconded by:</b> CM Kevin Felder
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

2. **TVM Productions, Inc. Queen of the South Season 3 – Chapter Grant Proposal**  
Presenter(s): Raquel Favela, Chief of Economic Development & Neighborhood Services/Robin Bentley, Interim Director, Office of Economic Development/Janis Burklund, Manager-Office of Economic Development

**Information Only:**\_\_

**Action Taken/Committee Recommendation(s):** Motion made to move forward to full Council

<b>Motion made by:</b> CM Mark Clayton	<b>Motion seconded by:</b> CM Omar Narvaez
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

3. Upcoming Council Agenda Item

September 27, 2017

- a. Renewal of Contract with Foundation Communities, Inc. to Administer a Volunteer Income Tax Assistance Program for Low Income Households
- b. Renewal of Grant Agreement with World Affairs Council of Dallas/Fort Worth

**Action Taken/Committee Recommendation(s):** Motion made to move forward to full Council.

<b>Motion made by:</b> CM Mark Clayton	<b>Motion seconded by:</b> CM Casey Thomas, II
	<b>Opposed by:</b> CM Rickey D. Callahan
Item passed unanimously: _____	Item passed on a divided vote: <u>X</u>
Item failed unanimously: _____	Item failed on a divided vote: _____

**Follow-up (if necessary):**

**Meeting Adjourned:** 9:24 **A.M.**

**Approved By** \_\_\_\_\_

# Memorandum



CITY OF DALLAS

DATE September 29, 2017

TO The Honorable Members of the Economic Development & Housing Committee:  
Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman,  
Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder,  
Omar Narvaez

SUBJECT **Dallas Homebuyer Assistance Program Update**

On Monday, October 2, 2017, you will be briefed on the Dallas Homebuyer Assistance Program (DHAP) proposed changes, as a result of the U. S. Department of Housing and Urban Development (HUD) HOME Investment Partnership Program (HOME) monitoring findings. The briefing materials are attached for your review.

## Summary

Housing and Neighborhood Revitalization (H&NR) is proposing changes to the existing Dallas Homebuyer Assistance Program, formerly known as Mortgage Assistance Program, in response to HOME monitoring findings made by HUD in April 2017. HUD required H&NR to stop committing HOME funds to the program until corrective modifications were incorporated including underwriting guidelines and homebuyer loan agreement templates. After several months of draft revisions with HUD staff, HUD has approved the DHAP revisions and has allowed H&NR to reinstate the program contingent on Council approving the changes.

## Background

The DHAP has been in existence for over 25 years. It offers homeownership opportunities for all applicants desiring to reside in the City of Dallas area earning at or below 80% of Area Median Family Income (AMFI), currently \$73,400. Prior to 2012, the program was administered by Enterprise Community Partners on behalf of the City of Dallas. Since then, the City of Dallas has been directly responsible for processing DHAP loans, providing eligible homebuyers with assistance in the form of: 1) principal reduction, 2) down payment, and 3) closing cost, towards the purchase of a home.

In recent years, the program offered two categories of assistance:

- \$14,000—existing homes
- \$20,000—new construction

The DHAP is funded with annual HUD entitlement grant allocations of Community Development Block Grant (CDBG) and HOME Investment Partnership Program.

### Issue

HUD's HOME findings and corrective actions are summarized as follows:

#### (a) Written Agreements with Homebuyers

The City of Dallas Homebuyer Agreement did not include all HOME program requirements. The new agreement includes a recapture clause, which must be signed by the borrower in conjunction with the Deed and Note.

#### (b) Underwriting Guidelines

The City of Dallas did not have underwriting guidelines and had to create underwriting guidelines that complied with HOME requirements.

### Alternatives

Staff closely worked with consultants since May 2017 to develop and cure the program deficiencies and update the necessary guidelines, loan documents, and tools needed for the implementation of the program. Subject to not receiving the Committee's approval and recommendation of the proposed DHAP changes to the City Council, DHAP will remain on hold.

### Fiscal Impact

The program is funded with \$859,663 of CDBG funds and \$642,129 of HOME funds for a total of \$1,501,792 this upcoming 2017-2018 Fiscal Year.

### Departments/Committee Coordination

On August 9, 2017, the City Council approved the Fiscal Year 2017-18 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 17-1171.

Following approval by HUD of the proposed program changes, H&RN conducted a stakeholder conference call on September 22, 2017. Over 100 partners, including; but not limited to, lenders, title companies, nonprofits, and real estate agents took part in the teleconference overview. The questions raised during and after the call were assembled and made available to all the participants.

Upon receiving Council approval of this item a formal lender training has been tentatively scheduled for October 27, 2017.

Staff Recommendation

Staff recommends approval of the DHAP program changes to be in compliance with HUD requirements. With the Committee's approval, the item will be placed on the City Council agenda for October 25, 2017.

Should you have any questions, please contact me at (214) 671-5257.



**Raquel Favela**  
Chief of Economic Development & Neighborhood Services

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|---|--|
| <p>c: The Honorable Mayor and the Members of City Council<br/>T.C. Broadnax, City Manager<br/>Larry Casto, City Attorney<br/>Craig D. Kinton, City Auditor<br/>Billerae Johnson, City Secretary (Interim)<br/>Daniel F. Solis, Administrative Judge<br/>Kimberly Bizer Tolbert, Chief of Staff to the City Manager<br/>Majed A. Al-Ghafry, Assistant City Manager</p> | <p>Jon Fortune, Assistant City Manager<br/>Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)<br/>Joey Zapata, Assistant City Manager<br/>M. Elizabeth Reich, Chief Financial Officer<br/>Nadia Chandler Hardy, Chief of Community Services<br/>Theresa O'Donnell, Chief of Resilience<br/>Directors and Assistant Directors</p> |
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# Dallas Homebuyer Assistance Program Update

**Economic Development &  
Housing Committee  
October 2, 2017**

**David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas**





# Presentation Overview

- Background/History
- Purpose
- Issues
- Proposed Program Changes
- Fiscal Impact
- Coordination
- Next Steps



# Background/History

- The Dallas Homebuyer Assistance Program (DHAP) is designed to assist low- to moderate-income Dallas homebuyers with principal reduction, down payment, and closing cost assistance.
- The program has been in existence for over 25 years and has served over 7,900 homebuyers at or below 80% of Area Median Family Income (AMFI), currently \$73,400.
  - Prior to 2012, DHAP was administered by Enterprise Community Partners, on behalf of the City of Dallas.
- In April 2017, the Regional HUD office identified several HOME Investment Partnership Program monitoring findings which required the DHAP program be suspended until modifications were implemented.

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# Purpose

To provide an update of the Dallas Homebuyer Assistance Program changes needed to comply with the HUD HOME requirements, which in turn will:

- Enable homeownership opportunities in the Dallas area;
- Ensure the financial viability and sustainability of future homeowners;
- Generate recapture proceeds for additional homeownership assistance to other income eligible households; and
- Strengthen the City of Dallas' homeownership portfolio.

# Issues

## 1) Written Agreement

- All HUD HOME provisions included in agreement must be signed by the borrower;
- Recapture policy included.

## 2) Underwriting Guidelines

- Homebuyer underwriting guidelines created to provide for gap funding.

# Proposed Program Changes

Existing	Recommended
<p><b>DHAP Eligibility:</b> Affordability limits are for households 80% or below AMFI</p>	<p><b>DHAP Eligibility:</b> Affordability limits will be set between 40% to 80% AMFI<sup>1</sup></p>
<p><b>DHAP Terms:</b></p> <ul style="list-style-type: none"> <li>- Provide assistance for \$14,000 or \$20,000</li> <li>- Missing HOME terms in Agreement, and forgivable note</li> </ul>	<p><b>DHAP Terms:</b></p> <ul style="list-style-type: none"> <li>- Provide assistance based on need and borrower debt capacity</li> <li>- HOME terms Agreement with non-forgivable note and with recapture provision</li> </ul>
<p><b>Home Inspections:</b> DHAP provides up to \$1,500 for Minimum Housing Standards repairs prior to closing</p>	<p><b>Home Inspections:</b> Home repair assistance of \$1,500 will be discontinued</p>

Footnote:

1: HUD approved terms; future underwriting modifications are subject to their approval

# Program Changes (cont'd)

Existing	Recommended
<p><b>Underwriting:</b></p> <ul style="list-style-type: none"> <li>- Savings, 2 month's gross income plus up to \$4,000 in liquid assets</li> <li>- \$0 required investment</li> <li>- Housing to Income Ratio must not be greater than 35%</li> <li>- Total DTI Ratio may not exceed 45%</li> </ul>	<p><b>Underwriting:</b></p> <ul style="list-style-type: none"> <li>- Savings, minimum of 2 month' s housing expenses, and not to exceed \$10,000 in liquid assets</li> <li>- \$1,000 minimum investment<sup>1</sup></li> <li>- Housing to Income Ratio must <i>not be greater than 30%</i><sup>1</sup></li> <li>- Total DTI Ratio may <i>not exceed 43%</i><sup>1</sup></li> </ul>

Footnote:

1: HUD approved terms; future underwriting modifications are subject to their approval

# Example

	Existing	Recommended	Assumptions
Sales Price <sup>1</sup>	\$ 224,000.00	\$ 224,000.00	Existing HOME Sales Price Limit
<b>1st Mortgage Needed</b>	<b>\$216,160.00</b>	<b>\$ 216,160.00</b>	FHA loan product, 96.5% Loan to Value
Annual Income <sup>2</sup>	\$ 44,040.00	\$ 44,040.00	Family of Four @ 40% AMI
Monthly Income	\$ 3,670.00	\$ 3,670.00	
Housing Expense	\$ 1,284.50	\$ 1,101.00	35% Existing Housing ; 30% cap Recommended
Taxes & Insurance	\$ (280.00)	\$ (280.00)	2.5% taxes, 1% insurance
Monthly Debt Capacity	\$ 1,004.50	\$ 821.00	Monthly income available for mortgage financing
<b>1st Mortgage Qualified</b>	<b>\$187,119.88</b>	<b>\$152,937.21</b>	30 year Loan, 5% interest
Down Payment	\$ 7,840.00		3.5% Sales Price
Closing Costs	\$ 7,484.80		4% of 1st Mortgage Amount
Total - Cash Needed	\$ 44,364.91		
<b>EXISTING DHAP Assistance</b>	<b>\$ 20,000.00</b>	<b>AS NEEDED</b> See below	
<b>Borrower Responsibility</b>	<b>\$ 24,364.91</b>		
Down Payment		\$ 5,825.00	3.5% is \$6825, applied min. \$1,000 dpmt from Borrower
Closing Costs		\$ 6,117.49	4% of 1st Mortgage Amount
<b>RECOMMENDED DHAP Assistance</b>	<b>Underfund</b>	<b>(\$75,165.28)</b>	May be higher, does not account for total DTI

Footnotes:

1: U.S. Dept of HUD 2017 Sales Price Limits for Dallas, TX Metro Area

2: U.S. Dept. of HUD 2017 Income Limits for Dallas, TX Metro Area

# Fiscal Impact 2017-2018

- Combined \$1,501,792
  - CDBG - \$859,663
  - HOME - \$642,129





# Coordination

- September 21 & 28, 2017 - Stakeholder Outreach
  - Extended to over 100 partners
- October 25, 2017 - Council consideration
- October 27, 2017 - Lender Training
- October 30, 2017 - Program Implementation

# Dallas Homebuyer Assistance Program Update

**Economic Development &  
Housing Committee  
October 2, 2017**

**David Noguera, Director  
Housing and Neighborhood Revitalization  
City of Dallas**



# Memorandum



CITY OF DALLAS

DATE September 29, 2017

Honorable Members of the Economic Development and Housing Committee:

TO Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez, Lee M. Kleinman

SUBJECT Amendments to the Regional Assessment of Fair Housing

## SUMMARY

On October 25<sup>th</sup>, the City Council will be asked to approve an increase in the contract with the University of Texas at Arlington to conduct the Regional Assessment of Fair Housing.

## BACKGROUND

On December 14, 2016, the Dallas City Council approved participation in a regional effort to develop the Regional Assessment of Fair Housing (RAFH). The Council also awarded a contract in the amount of \$734,433 to the University of Texas at Arlington to conduct the study. On June 14, 2017 the City Council approved the first amendment to the contract which was done to comply with HUD procurement regulations for sub recipients.

The RAFH is a HUD required study for all entities who receive HUD entitlement funds. HUD encourages regional cooperation in assessing housing issues. The City of Dallas is collaborating with 21 other jurisdictions to develop the RAFH.

## ISSUE

The U.S. Department of Housing and Urban Development issued new data sets at the end of July of this year that are required to be used as part of the RAFH. Incorporation of the new data sets results in additional time and costs to complete the study. A second amendment to the contract with University of Texas at Arlington is requested to enable UTA to review, analyze and incorporate updated HUD data into the RAFH. The amount of the contract increase is \$179,801. The City of Dallas portion of the cost is expected to be \$60,236. The additional work will add six months to the completion time for the RAFH. Council approval is also requested to extend the 5-year Consolidated plan for one year in order to incorporate plans and recommendations of the RAFH.

After the new HUD Data was released, UTA conducted a review and determined that these were substantial changes to the HUD sets. These changes included the location of R/ECAP areas and data on Housing problems within each of the 21 jurisdictions. The new schedule will allow for analysis at additional public input. Public input meetings will be held in January of 2018.

## ALTERNATIVES

Failure to incorporate the new HUD data could result in rejection of the completed study by HUD.

DATE September 29, 2017  
SUBJECT Amendments to the Regional Assessment of Fair Housing

**FISCAL IMPACT**

The UTA contract will increase by \$179,801. The City of Dallas portion of that increase is estimated to be \$60,236.

**COORDINATION**

The Fair Housing and Human Rights Office coordinated with the Office of Financial Services in developing this briefing.

**STAFF RECOMMENDATION**

Staff request City Council approval of the contract amendment and staff recommendations on revised timelines.

Please let me know if you have questions or need additional information.



For Raquel Favela  
Chief of Economic Development & Neighborhood Services

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| <p>c: The Honorable Mayor and the Members of City Council<br/>T.C. Broadnax, City Manager<br/>Larry Casto, City Attorney<br/>Craig D. Kinton, City Auditor<br/>Billerae Johnson, City Secretary (Interim)<br/>Daniel F. Solis, Administrative Judge<br/>Kimberly Bizer Tolbert, Chief of Staff to the City Manager<br/>Majed A. Al-Ghafry, Assistant City Manager</p> | <p>Jon Fortune, Assistant City Manager<br/>Jo M. (Jody) Puckett, P.E., Assistant City Manager (Interim)<br/>Joey Zapata, Assistant City Manager<br/>M. Elizabeth Reich, Chief Financial Officer<br/>Nadia Chandler Hardy, Chief of Community Services<br/>Theresa O'Donnell, Chief of Resilience<br/>Directors and Assistant Directors</p> |
|---|--|

# Memorandum



CITY OF DALLAS

DATE September 29, 2017

The Honorable Members of the Economic Development and Housing Committee:  
TO Tennell Atkins (Chair), Rickey D. Callahan (Vice Chair), Scott Griggs, Casey Thomas, II,  
B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez, Lee M. Kleinman

SUBJECT HUD Fair Housing Cooperative Grant

## SUMMARY

On October 25, 2017, the Dallas City Council will be asked to consider the acceptance of the HUD Fair Housing Cooperative Grant in the amount of \$284,850.

## BACKGROUND

The Economic Development and Housing Committee was briefed on the Recertification of the Dallas Fair Housing Office on September 5, 2017. As a HUD certified Fair Housing Agency, the Dallas Fair Housing Office is eligible to receive federal grants for Fair Housing Enforcement. Since 1992, the City of Dallas has received an annual Cooperative Grant award from HUD. The grant amount for FY 17-18 is \$284,850 and will be used to pay salaries for 4 positions and will also provide funding for outreach and training.

## ISSUE

HUD has offered the City of Dallas a Cooperative Grant in the amount of \$284,850.

## ALTERNATIVES

If the grant is not accepted it will negatively impact the City's ability to effectively enforce Fair Housing laws within the City of Dallas.

## FISCAL IMPACT

This grant provides \$284,850 and funds 4 positions.

## COORDINATION

Planning for grant acceptance was coordinated through the Office of Financial Services.

## STAFF RECOMMENDATION

Staff recommends City Council approval and acceptance of the grant in the amount of \$284,850.

DATE September 29, 2017  
SUBJECT HUD Fair Housing Cooperative Grant

Please let me know if you have questions or need additional information.



*RF* Raquel Favela  
Chief of Economic Development & Neighborhood Services

c: The Honorable Mayor and the Members of City Council  
T.C. Broadnax, City Manager  
Lary Casto, City Attorney  
Craig D. Kinton, City Auditor  
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