

070708
February 28, 2007

WHEREAS, homeownership is a high priority of the City of Dallas; and

WHEREAS, the Enterprise Community Partners, Inc. formerly known as The Enterprise Foundation, Inc., has been the administrator of the City's federally funded first-time homebuyers program known as the Mortgage Assistance Program (MAP); and

WHEREAS, the MAP provides assistance to eligible homebuyers; and

WHEREAS, on September 24, 2003, City Council authorized a one-year contract with two 12-month renewal terms with The Enterprise Foundation, Inc. to administer the MAP for FY03-04 by Resolution No. 03-2593; and

WHEREAS, on October 13, 2004, City Council authorized the execution of the first of two 12-month contract renewal options with The Enterprise Foundation, Inc. to administer the MAP for FY04-05 by Resolution 04-2929; and

WHEREAS, on June 28, 2006, City Council authorized the adoption of the FY06-07 Consolidated Budget for U.S. Department of Housing and Urban Development (HUD) grant funds, in which the MAP will be funded with HOME Investments Partnership funds, Community Development Block Grant (CDBG) funds and American Dream Downpayment Initiative (ADDI) funds by Resolution 06-1739; and

WHEREAS, on October 11, 2006, City Council authorized a one-year contract with two 12-month renewal terms with the Enterprise Community Partners, Inc. to administer the MAP for FY 06-07 by Resolution No. 06-2761; and

WHEREAS, the City now desires to authorize an amendment to the contract with Enterprise Community Partners, Inc. to administer the Downtown Mortgage Assistance Program for FY06-07; **NOW, THEREFORE**,

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

Section 1. That the City Manager be authorized to execute an amendment to the contract with Enterprise Community Partners, Inc. formerly known as The Enterprise Foundation, Inc., to administer the Downtown Mortgage Assistance Program (DMAP).

Section 2. That the attached Program Statement amendment for the MAP Program is hereby approved and shall remain in effect until amended pursuant to a subsequent City Council resolution.

Section 3. That following approval as to form by the City Attorney, the City Manager is authorized to execute such other instruments as may be necessary to carry out the program in accordance with the MAP Program Statement (Exhibit A attached).

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Section 4. That the City Controller be authorized to encumber and disburse funds to Enterprise Community Partners, Inc., in accordance with the contract provisions as follows:

DOWNTOWN MORTGAGE ASSISTANCE PROGRAM

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
06R1	HOU	4463	3099	HOU4463E076	256747	\$1,950,000

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 is accordingly so resolved.

Distribution:

- Housing Department, 6DN
- City Attorneys Office, 7AN
- Business Development and Procurement Services, 3FS
- Office of Financial Services/Community Development, 4FS

APPROVED BY
CITY COUNCIL

FEB 28 2007

Rebecca Clattoria
City Secretary

APPROVED *Manish Kumar*
HEAD OF DEPARTMENT

APPROVED *Samir Kung*
CITY CONTROLLER

APPROVED *Jill Jones*
CITY MANAGER

EXHIBIT A

**FY06-07 PROGRAM STATEMENT
MORTGAGE ASSISTANCE PROGRAM (MAP)**

Program Purpose: To provide homeownership opportunities to low income, first-time homebuyers through the provision of financial assistance in purchasing a home.

Programs Description:

- Provides (i) downpayment, and closing cost assistance or (ii) principal reduction to low income first-time homebuyers. All properties purchased under this program must meet federal HUD requirements for minimum housing standards compliance.
- Provide principal reduction, downpayment, and closing cost assistance based upon household income as follows:

<u>Area Median Family Income (AMFI)</u>	<u>80% and below</u>
<u>Subsidy Amount</u>	<u>Up to \$10,000</u>
<u>Minimum Housing Standards Repair</u>	<u>Up to \$1,500</u>
<u>Maximum Total Benefit</u>	<u>\$11,500</u>

- Downpayment, closing cost assistance and principal reduction will be provided in the form of a lump sum payment at closing in exchange for the execution and placement of deed restrictions on the property for an eight (8) year term, to be amortized yearly over the term of the loan.
- All properties assisted with MAP funds must meet Federal Minimum Housing Standards (MHS). MHS repair funds in an amount not to exceed \$1,500 shall be provided for MHS repairs and will be forgiven on a prorated basis over a five (5) year term.

Additional Program Requirements for the Downpayment and Principal Reduction Programs:

- A first-time homebuyer is defined as a person who has not owned a home in 3 years, a displaced homemaker, or a single parent.
- Assistance is available citywide through participating lenders.
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act and homes must be located in the Dallas city limits.

**FY06-07 PROGRAM STATEMENT
MORTGAGE ASSISTANCE PROGRAM (MAP)**

- Homebuyer must successfully complete homeownership education from an approved counseling agency.
- The City Manager, or his designee, is authorized to grant waivers to the Mortgage Assistance Program guidelines, as set forth in this Program Statement, without further City Council authorization on a case by case basis.

NEIGHBORHOOD INVESTMENT PROGRAM (NIP)

In NIP target areas, the following exceptions shall apply:

- The maximum MAP subsidy shall be up to \$12,000 for all income levels (up to 80% AMFI).
- First-time homebuyer criteria do not apply; however, the homeowner must be an owner-occupant.

**CADILLAC HEIGHTS NEIGHBORHOOD POLICE ACADEMY PROJECT
PROVISIONS**

For households displaced by acquisition of land for the Police Academy facility in the Cadillac Heights Neighborhood the following shall apply:

- The maximum MAP subsidy shall be up to \$15,000 for all income levels
- First-time homebuyer criteria do not apply; however, must be an owner-occupant
- The maximum borrower out-of pocket contribution limit of \$5,000 does not apply
- The requirement that homes must be located in the Dallas city limits does not apply
- The requirement that fifty percent (50%) of funding reserved for loans for newly constructed homes does not apply
- Funds for comparable replacement homes purchased anywhere will be in the form of grant assistance with no deed restrictions

- If the homebuyer purchases a replacement home in Dallas that is greater in price than a comparable replacement home, MAP funds may be used as a loan toward the cost in excess of a comparable replacement home
- A first lien mortgage on comparable replacement homes is not required

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.

DOWNTOWN MORTGAGE ASSISTANCE PROGRAM

Program Purpose: To provide homeownership opportunities to low income, homebuyers through the provision of financial assistance in purchasing a condominium or townhouse in the Central Business District.

Program Description: Provides principal reduction, downpayment, and closing cost assistance based upon household income as follows:

<u>Area Median Family Income (AMFI)</u>	<u>80% and below</u>
Subsidy Amount	up to \$40,000

- Principal reduction, downpayment, and closing cost assistance will be provided in the form of a lump sum payment at closing in exchange for the execution of lien and deed restriction on the property in perpetuity, with the note due in full if sale occurs.
- All properties purchased under this program must meet federal and local requirements for minimum housing standards compliance.
- Assistance is available through participating lenders.
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act and homes must be located in the Central Business District.
- Homebuyer must successfully complete homeownership education from an approved counseling agency.
- The City Manager, or his designee, is authorized to grant waivers to the Mortgage Assistance Program guidelines, as set forth in this Program Statement, without further City Council authorization on a case by case basis.