

WHEREAS, the City of Dallas desires to preserve the supply of safe, decent, and affordable homes for ownership and occupancy of low-to-moderate income households; and

WHEREAS, on October 13, 2004, the City Council authorized an amendment to the Program Statement for the Home Repair Program by Resolution No. 04-2932; and

WHEREAS, on October 18, 2004, the Housing and Neighborhood Development Committee voted to recommend an increase in the maximum Replacement Housing loan amount from \$55,000 to \$70,000 and establish a minimum structure size of 1,200 square feet; and

WHEREAS, on November 10, 2004, the City Council authorized an amendment to increase the maximum Replacement Housing loan amount and establish a minimum structure size of 1,200 square feet by Resolution No. 04-3194; and

WHEREAS, on October 15, 2007, the Economic Development and Housing Committee were briefed on home repair and reconstruction program revisions; and

WHEREAS, on November 12, 2007, the City Council authorized the Program Statement for the Major Systems Repair Program and the Reconstruction/SHARE Program by Resolution No. 07-3306; and

WHEREAS, on October 8, 2008, the City Council authorized Program Statement modifications for the Reconstruction/SHARE Program by Resolution No. 08-2768; and

WHEREAS, the City of Dallas desires to provide a program that provides for the needs of homeowners who are 62 years of age and/or disabled; and

WHEREAS, the City of Dallas desires to improve air quality indoors and out, conserve energy and water usage, minimize waste of materials and in landfills, preserve natural resources, reduce storm water impacts on the environment, and enhance human health; and

WHEREAS, the City now desires to adopt the modifications to the Home Repair Program for MSRP and Reconstruction/SHARE Program Statements attached as Exhibits A & B; **NOW, THEREFORE**,

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

SECTION 1. That the City Council authorizes modifications to the Home Repair Program for the MSRP Program Statement to change the limit from number of systems repaired to dollar amount. To increase the dollar amount of assistance from \$15,000 to \$17,500, and to allow further eligibility for homeowners who received prior assistance, provided that ten (10) years have passed since the first assistance, and the new assistance is not for the same repair type. Reconstruction/SHARE Program Statement to include reconstruction of homes with a failure of three (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; 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 sixty-two (62) years old, or without a disability, and still meeting all other criteria as shown on attached Exhibits A & B effective upon adoption of this resolution.

SECTION 2. That the City Manager is authorized to administer the Major Systems Repair Program Statement and the Reconstruction/SHARE Program Statement.

SECTION 3. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute loan documents and, upon compliance with Program requirements, to release liens consistent with the revised Program Statement for the Reconstruction/SHARE Program.

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

APPROVED BY
CITY COUNCIL

SEP 22 2010


City Secretary

EXHIBIT A
MAJOR SYSTEMS REPAIR PROGRAM (MSRP)

PROGRAM STATEMENT

Program Purpose:

To provide 1) repairs and /or replacement of major systems in their homes; 2) repairs to major systems that have been determined to be an immediate threat to the life, health, or safety of the resident(s) and 3) "interim controls" of lead based paint when applicable, and 4) reconstruction of single-family homes on the homeowner's lot subject to City Council approval. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof.

To provide a interest free self-amortizing forgivable loan with a five (5) year lien term for a maximum of ~~\$15,000~~ \$17,500 for basic systems repairs or replacements to qualified applicants who reside in single-family, owner-occupied structures and to provide replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s)

Assistance Type One:

Repair or replacement of major systems not to exceed a maximum of ~~\$15,000~~ \$17,500 will be provided to qualified applicants. "Systems" available for repair or replacement are electric, gas, water, wastewater, HVAC and roof; to allow further eligibility for homeowners who received prior assistance provided that ten (10) years have passed since the first assistance and the new assistance is not for the same repair type.

Assistance Type Two:

Repair or replacement of a system that occurs during the loan term of any City Home Repair Program that was NOT previously worked on and where life, health, or safety hazards exist to the resident(s) will be provided to qualified applicants. Assistance provided for the repair or replacement of a system is limited to one (1) occurrence and applicant must meet all Level I household eligibility, excepting the number of liens referenced in Level I eligibility, and Level II property eligibility. Additional costs to repair or replace a system under Assistance Type Two will be provided as a grant up to \$7,500

General Conditions:

A two-level application review will be conducted and both levels, household eligibility and property eligibility, must be approved to qualify applicant for Assistance Type One and Assistance Type Two.

Level I review requires applicants to provide necessary proof to document the following:

- Identity
- Citizenship or legal residency
- Current property taxes
- Ownership and occupancy of property for a minimum of two (2) consecutive years, unless safety and/or health conditions have forced applicant to evacuate within past 24 months of application
- Income 80% or less, based on number of persons in household, as defined by the Department of Housing and Urban Development's annual income figures
- Property insurance
- Property contains no more than one active, current lien and may have no forced liens or judgment against the property

Level II property eligibility, requires the following conditions to be met:

- The scope of system repair or replacement work needed on a property ~~must be limited to no more than two (2) systems~~ will no longer be limited to two (2) systems
- The cost estimate of the systems repair or replacement cannot exceed ~~\$15,000~~ \$17,500
- Planning and development review to meet city and federal guidelines
- Environmental reviews to meet city and federal funding guidelines

Conditions that eliminate an applicant from receiving assistance:

- Household eligibility criteria and/or inspection eligibility not approved
- Repairs that exceed ~~\$15,000~~ \$17,500
- Repair costs exceeding 50% of the appraised Dallas County Appraisal District value of a property that lies within a 100-year floodplain
- Property that lies within a designated Airport Runway Clear Zone
- New assistance for the same repair type previously assisted

Loan Terms

- Interest free loans will be secured by a promissory note and deed of trust with a five (5) year lien
- The note and lien shall be released after five (5) years if the borrower occupies the property continuously for five (5) years or upon repayment of the note
- Loan payments are self-amortized over the loan term and forgiven monthly at the rate of 1/60 of the loan amount if the borrower occupies the property continuously for the entire five (5) year loan term
- Should property change ownership or occupancy during the loan term, the loan becomes due and payable for the amount equal to the balance of the

unamortized loan unless a loan assumption is under consideration. Loan assumptions will be reviewed on a case by case basis. Loan assumptions applicants must meet all Level I household eligibility except ownership and occupancy requirements.

- Refinancing of existing loans with cash to homeowners will not be permitted
- Contract Certification
- A list of certified Major Systems Repair Program contractors will be made available to applicants. The applicant must either select a contractor from the list or recommend a contractor of their choosing for certification by the Housing Department that meets the certification requirements for the Home Repair, SHARE, and Replacement programs.

Lead-Based Paint

In conjunction with the system(s) repair or replacement, if lead-based paint interim controls are required in accordance with the Department of Housing and Urban Development (HUD) regulations, the cost of said lead-based paint controls may be included in the ~~\$15,000~~ \$17,500 initial scope of work.

Program Administration

The City Manager, or his/her designee, is authorized to establish guidelines and procedures to administer this program in accordance with the Program Statement and applicable Federal and local regulations.

EXHIBIT B**RECONSTRUCTION / SHARE PROGRAM
PROGRAM STATEMENT****Program Purpose:**

To provide for the reconstruction of single-family homes on the homeowner's lot subject to City Council approval.

To provide a deferred payment loan to qualified applicants who reside in single-family, owner-occupied structures where Major Systems Repair Program assistance Level II eligibility has been determined infeasible due to the following:

- All major systems (electric, gas, water, wastewater, HVAC and roof) and foundation are failing and Three (3) major systems (electric, gas, water, wastewater, HVAC and roof) and foundation are failing and/or
- The condition of the home creates an imminent danger to the life, health, and/or safety of the residents and/or the neighborhood;
- Allow payoff of liens up to the amount of the amenities package; \$5,900, this reduces the amount available for construction to no less than \$87,500
- Annually 10% of funds may be used to assist persons younger than sixty-two (62) or without a disability yet meet all other criteria

Assistance Type One:

Provide loan up to \$93,400 for demolition costs and on-site reconstruction of an approximately 1,200 square foot home on the homeowner's lot. Various house plans will be available for selection by the applicant. Plans that are consistent with the configuration of the neighborhood will be included. Homes will meet Energy Star and water conservation standards.

Assistance Type Two:

Provide loan up to \$65,000 combined with a \$22,500 replacement housing payment from the Department of Code Compliance, commonly referred to as SHARE loans, for the on-site reconstruction of a home on the homeowner's lot. Various house plans will be available for selection by the applicant. Plans that are consistent with the configuration of the neighborhood will be included. Homes will meet Energy Star and water conservation standards.

EXHIBIT B Continued**RECONSTRUCTION / SHARE PROGRAM
PROGRAM STATEMENT****RECONSTRUCTION / SHARE PROGRAM INSURANCE AND TAX ASSISTANCE**

Within twenty-four (24) months of the completion date for the reconstruction of the new home in accordance with the Program Statement for the Reconstruction/SHARE Program, the Program may provide one reimbursement payment to the Borrower that may include all ad valorem property taxes for all taxing units for only the first year after appraisal of the new home and the property insurance premium for one year.

General Conditions:**Applicants must meet following loan criteria:**

- Identity
- Citizenship or permanent legal status
- Current on all property taxes for the property
- Sixty-two (62) years of age or older or disabled, which means under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance or the Veterans Administration.
- Persons younger than sixty-two (62) or without a disability yet meet all other criteria (10% fund set-aside)
- Current on all property taxes for the property
- Ownership and occupancy of property for a minimum of two (2) consecutive years or six (6) months in Neighborhood Investment Program (NIP) areas, unless safety and/or health conditions have forced applicants to evacuate within the past twenty-four (24) months of application
- Maximum Area Median Family Income (AMFI) at 80%, based on the number of persons in household, as defined by HUD
- Property insurance on home
- No liens or judgments on the property
- Property is not located in a 100-year floodplain
- Zoning of property for reconstruction housing must permit single-family dwelling construction

Upon determination of appropriateness for reconstruction, the applicant must be able to obtain title insurance, agree to voluntarily move and live elsewhere at their own expense during reconstruction, and provide proof of insurance for the new home prior to occupancy.

EXHIBIT B Continued**RECONSTRUCTION / SHARE PROGRAM
PROGRAM STATEMENT****Loan Terms:****Assistance Type One and Assistance Type Two:**

- Deferred loans will be secured by a promissory note, and deed of trust,
- The no interest note is due and payable upon the death of Borrower or transfer of the property; provided, however, the amount owed and due on the note to Lender on date of death of Borrower or transfer of the property shall be the lesser of (a) the original Principal Amount of the note as may be amended or (b) seventy-five percent (75%) of the market value of the land and improvements as determined by the Central Appraisal District for the property for the year immediately prior to the proposed sale or transfer of property." Transfer of Property" shall be deemed to include, but not be limited to, the conveyance of the property or any interest therein, (except oil, gas or mineral interests), such as the granting of a leasehold interest or a life estate in the property, or the quitclaim of the property by any Borrower or Maker or if any Borrower of Maker obtains a reverse mortgage on the property.

Lender, in its sole discretion, may consent to a one time transfer and assumption of the note upon the death of Borrower by an eligible heir of the Borrower. To be considered "eligible," an heir of Borrower must satisfy all the following conditions: (a) the heir has full title to said property and will occupy the property as the heir's principal residence, (b) the heir is at least 62 years of age or disabled or meet the income guidelines as defined in the program statement as hereby amended; (c) the heir's household income as adjusted for family size is 80% or less of the area median family income for Dallas as determined by the U.S. Department of Housing and Urban Development, or its successor, and (d) the heir executes loan assumption documents in form acceptable to Lender.

- Upon said heir's death or transfer of the property by heir, the amount owed and due on the note to Lender shall be the lesser of (a) the original Principal Amount of the note as may be amended or (b) seventy-five percent (75%) of the market value of the land and improvements as determined by the Central Appraisal District for the year immediately prior to the heir's death or transfer of the title to the property.
- If the Central Appraisal District is no longer in existence at the time of Borrower's or heir's death or transfer of the property, the "market value of the land and improvements" may be determined by a state-certified residential real estate appraiser who is acceptable to the City Manager and who prepares an independent fee appraisal of the land and improvements at the expense of Borrower or Borrower's legal representative.
- Refinancing and loan subordinations are not permitted.

EXHIBIT B Continued**RECONSTRUCTION / SHARE PROGRAM
PROGRAM STATEMENT****Program Administration**

The City Manager, or his designee, is authorized to establish guidelines and procedures to administer this program in accordance with this Program Statement and applicable Federal and local regulations.