

March 28, 2012

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 June 24, 2009, the City Council approved the FY09-10 Consolidated Plan Budget for the Mortgage Assistance Program by Resolution No. 09-1635; and,

WHEREAS, on October 28, 2009, the City Council approved the recommendation to execute a twelve-month service contract with two twelve-month renewal options with Enterprise Community Partners, Inc. for the Mortgage Assistance Program by Resolution No. 09-2670; and,

WHEREAS, on October 13, 2010, the City Council approved the first of two twelve-month renewal options with Enterprise Community Partners, Inc. for the Mortgage Assistance Program by Resolution No. 10-2623; and,

WHEREAS, on June 22, 2011, the City Council approved the final FY 2011-12 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 11-1679; and,

WHEREAS, on September 28, 2011, the City Council approved the execution of the second of two 12-month renewal terms to the service contract with Enterprise Community Partners, Inc. for the Mortgage Assistance Program for the period October 1, 2011 through September 30, 2012 by Resolution No. 11-2572; and,

WHEREAS, on March 28, 2012, the City Council will consider an amendment to the 2008-09 through 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds to allocate \$1,000,000 to the Mortgage Assistance Program; and,

WHEREAS, the City desires to increase the service contract with Enterprise Community Partners, Inc. by \$1,000,000 for FY 2011-2012 and to amend the Program Statement;
NOW, THEREFORE,

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

Section 1. That the City Manager, upon approval as to form by the City Attorney, is authorized (1) to increase the service contract with Enterprise Community Partners, Inc., a non-profit corporation, in the amount of \$1,000,000, from \$2,782,473 to \$3,782,473 for the implementation of the Mortgage Assistance Program (MAP) for the period October 1, 2011 through September 30, 2012; and (2) amend the MAP Program Statement for FY 2011-12 to add a category of assistance for Infill Development (Exhibit A attached).

Section 2. That following approval as to form by the City Attorney, the City Manager is authorized to execute the necessary supplemental agreement and such other instruments as may be necessary to carry out the program in accordance with the MAP Statement.

Section 3. That the City Controller be authorized to encumber and disburse funds to Enterprise Community Partners Inc., in accordance with the contract provisions as follows:

<u>FUND</u>	<u>DEPT</u>	<u>UNIT</u>	<u>OBJ</u>	<u>CT</u>	<u>VENDOR</u>	<u>AMOUNT</u>
11R1	HOU	760D	3099	HOU760DF669	256747	\$1,000,000

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.

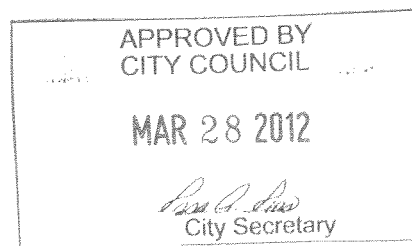


EXHIBIT A**FY 11-12 PROGRAM STATEMENT
MORTGAGE ASSISTANCE PROGRAM (MAP)****Program Purpose:**

- To provide homeownership opportunities to low to moderate income homebuyers through the provision of financial assistance in purchasing a home
- To incentivize new construction of homes for enhancement of the property tax base.

General Provisions:

- Homes must be located in the Dallas city limits.
- Homebuyer must successfully complete homeownership education from an approved counseling agency.
- Borrower may obtain a conventional, FHA, or portfolio loan through an approved lender. High cost or sub-prime loans, adjustable rate mortgages (ARM), interest only loans are not allowed. Borrower may also pay cash.
- For this program, low to moderate income is defined as a household with calculated income at 80% or less of the Area Median Family Income, adjusted for family size.
- Sufficient income and household size documentation to certify eligibility per HUD guidelines is required.
- Borrower must be a U.S. citizen or a permanent resident, and possess a valid social security card.
- Borrower must occupy the property as a primary residence.
- All properties purchased under this program must meet federal and local requirements including Minimum Acceptable Property Standards (MAPS) and international residential code.
- Home sales prices may not exceed the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act.

- Homebuyer mortgage affordability must meet front-end debt ratio of 35% and back-end debt ratio of 45%.
- The maximum amount of assistance to be used to pay Borrower's closing costs is \$4,000. Cash back at closing and discount points paid by the Borrower are not allowed.
- Other partners including: lenders, title companies, inspectors, and homebuyer education providers must register and be approved by the City's Mortgage Assistance administrator.
- The City Manager, or his designee, is authorized to implement the Mortgage Assistance Program (MAP) as per this Program Statement, execute any documents necessary to implement this program, and 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.
- Under exceptional cases, loan guarantees may be granted for Community Housing Development Organizations (CHDOs) that provide permanent mortgage financing and have the financial capacity to payback the MAP loan in the event of default. Guarantees must receive Housing/Community Services Director approval.

Categories of Assistance:

Category #1: Available Funding \$500,000 – Homebuyer Assistance for Existing Homes

- Provide (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for existing homes
- An existing home is defined as a home which was previously occupied by another homeowner
- Subsidy amount up to \$10,000
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a five (5) year term for the amount of principal reduction

- assistance provided. The lien is amortized and forgiven over a five year period.
- All properties assisted with MAP funds must meet Minimum Housing Standards (MHS). As part of the total subsidy, MHS repair funds cannot exceed \$1,500.

Category #2: Available Funding \$2,000,000 – Homebuyer Assistance for Newly Constructed Homes

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes
- A newly constructed home is defined as a home which has not been previously occupied by another homeowner
- Subsidy amount up to \$25,000
- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a ten (10) year term for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven over a ten year period.
- Foreclosure projects under the Neighborhood Stabilization Program (NSP) and EHOP Program are eligible under this category.
- Each organization, including affiliates, is limited in its access to total funding up to 50% of the available funding for this category (i.e. 50% of \$2,000,000 or \$1,000,000).

Category #3: Available Funding \$1,000,000 – Homebuyer Assistance for Newly Constructed Homes in Neighborhood Investment Program (NIP) Areas

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes located in NIP areas.
- A newly constructed home is defined as a home which has not been previously occupied by another homeowner.
- Subsidy amount up to \$25,000.

- Principal reduction and closing cost assistance will be provided in the form of a lump sum payment at closing. In exchange for the assistance, the homebuyer must execute and place a lien and deed restrictions on the property for a ten (10) year term for the amount of principal reduction assistance provided.
- The lien is amortized and forgiven over a ten year period.
- Each organization, including affiliates, is limited in its access to total funding up to 50% of the available funding for this category (i.e. 50% of \$1,000,000 or \$500,000).