

# Grantee: Dallas, TX

## Grant: B-11-MN-48-0002

### July 1, 2021 thru September 30, 2021 Performance

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<b>Grant Number:</b> B-11-MN-48-0002	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Dallas, TX	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$2,356,962.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$2,356,962.00	<b>Estimated PI/RL Funds:</b> \$944,807.81	
<b>Total Budget:</b> \$3,301,769.81		

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The City of Dallas plans to use the fund to acquire 17 vacant foreclosed lots, provide interim construction for the development of the lots and provide down payment assistance to the homebuyer. The City of Dallas has identified two (2) geographic areas of the city as "Areas of Greatest Need" using the mapping tool for its 2010-2011 Neighborhood Stabilization Program 3 (NSP3). The first area of choice is the Bexar St. /Rochester area bounded by Hatcher on the North, S. Lamar on the West, 2nd Ave. on the East and Rochester Park on the South. The census tracts are 39.01, 39.02, and 115. The zip code is 75215. The second area chosen is the Lancaster Corridor which is E. Illinois on the North, Ewing/Ramona on the West, Kellogg/Garrison on the East, and Simpson Stuart on the South. The census tracts include portions of 55, 57, 88.01, 88.02, 87.03, 87.04, 87.05, and 114.01. The zip code for this area is 75216. These areas represent the areas of highest need based on scores of 17.84 and 17.53, respectively. The State minimum threshold score is 16. These areas well exceed the State's threshold score. The decision to concentrate efforts in these areas was based on several factors that the U.S. Department of Housing and Urban Development (HUD) required for consideration for Areas of Greatest Need, including high numbers of (1) foreclosures (2) vacant property (3) delinquent loans (4) subprime loans (5) unemployment and (6) decreases in home values. The Areas of Greatest Need for Dallas and for this application were selected as they met HUD's criteria, as well as additional criteria, including (1) current efforts of redevelopment, NIP areas (2) amount of vacant property (3) extent of needs and (5) type of needs. The needs in these areas expand beyond rehabilitation of housing stock. Revitalization is necessary to attract homebuyers and renters, entice new business owners to relocate to the areas, and engage existing business owners to expand and/or rehabilitate their businesses. Finally, after a review of SOCDS Building Permit Database, the results identified stagnant new development in the City limits. In 2008, 9,413 permits were pulled for development activities. In 2009 and 2010, 1,771 and 1,800, respectively, were pulled for development. Funding availability for redevelopment activities will leverage revitalization efforts. The Bexar St. /Rochester area has been a target Neighborhood Investment Program (NIP) area for revitalization for the City of Dallas for several years. The effort to revitalize the area includes demolition of substandard and abandoned blighted property, land banking to sell vacant tax foreclosed lots to developers for construction of new single family and multifamily units, economic development efforts to assist existing business owners and attract new businesses to the area, new streets and infrastructure for better accessibility into and throughout the neighborhood. Currently, the City has active projects in the Bexar St. /Rochester area for new construction of single family townhomes, new construction of mixed-use buildings for multifamily rental and retail/commercial space, and street and infrastructure projects. A certified Community Based Development Organization (CBDO) is constructing the townhomes with two (2) additional phases to complete. Private developers and property owners are constructing themixed-usedditional efforts to construct a new police station are in the p

### Summary of Distribution and Uses of NSP Funds:

lanning stages of development. The Lancaster Corridor was recently designated, approximately 2 years ago, to be a NIP area. The effort to revitalize this corridor includes demolition of substandard structures, relocation of residential property owners, expansion of the Urban League, Veterans Hospital, and Dart rail system, new construction of rental multifamily units and single family homeowner units. The economic development efforts include relocation of businesses, redesign of the existing vacant

### How Fund Use Addresses Market Conditions:

These two areas pose difficulty for developers to redevelop due to the nature of issues that are apparent, including drug activity, property abandonment, vacant lots and houses that invite vagrants to gather. Currently, these lots are held by the Land Bank. The City plans to use the funds to acquire vacant foreclosed lots, provide interim construction for the development of the lots and provide down payment assistance to the homebuyers. The term of assistance for these areas will be for the three (3) year period that HUD allows. Properties will be sold to low



modmidincome homebuyers that will provide them homeownership opportunities that they may not have otherwise received. Affordability will be maintained through a Deed Restriction placed on the properties to run 15 years. The homebuyers will be able to afford the homes long term as a result of a low mortgage. In cases where units cannot be sold, rental will be permitted.

### **Ensuring Continued Affordability:**

The City of Dallas has adopted the guidelines for affordability based on total investment and will assure affordability periods through deed restrictions of the properties involved. In the sale of City-owned, or land bank owned property to developers or homebuilders for rental to low-, moderate-, and middle-income (LMMH) families, the City will require that the property be deed restricted by the purchaser so that the rental units must be rented to LMMH families for the affordability periods in the rental housing section below. In the sale of City-owned, or land bank owned property to developers or homebuilders for resale to LMMH families; or in the financing of purchase or purchase with rehabilitation of property for resale to LMMH families, the City will require that the property be deed restricted by the purchaser so that the subsequent sale must be to a LMMH family. In the subsequent sale by the developer or homebuilder to the eligible family the property will deed restricted for the affordability periods in the homeownership assistance section below.

### **Definition of Blighted Structure:**

The City is using a local definition of blighted structure. In the context of the Chapter 27, Article I Section 27-1 of the Dallas City Code: SEC.27-1. LEGISLATIVE FINDINGS OF FACT

There exists in the city of Dallas, Texas, structures used for human habitation and nonresidential purposes that are substandard in structure and maintenance. Furthermore, inadequate provision for light and air, insufficient protection against fire, lack of proper heating, insanitary conditions, and overcrowding constitute a menace to the health, safety, morals, welfare, and reasonable comfort of the citizens of the city of Dallas. The existence of such conditions will create slum and blighted areas requiring large scale clearance, if not remedied. Furthermore, in the absence of corrective measures, such areas will experience a deterioration of social values, a curtailment of investment, and tax revenue, and an impairment of economic values. The establishment and maintenance of minimum structural and environmental standards are essential to the prevention of blight and decay and the safeguarding of public health, safety, morals, and welfare. (Ord.Nos. 15198;19234)

Blighted property shall include residential or commercial structures that: are dilapidated, deteriorated, aged or obsolete are uninhabitable, unsafe, or unsanitary have inadequate provisions for ventilation, light, air, or sanitation are an imminent harm to life or other property by fire or other causes adversely affect the public health, safety, morals or welfare of the municipality and its residents

### **Definition of Affordable Rents:**

The NSP rental affordability requirements will be the same as the rent limitations for the City of Dallas' HOME assisted projects with separate requirements for middle-income families between 81% - 120% of Area Median Family Income (AMFI). The NSP rents to be charged for multi-family projects with 1 to 4 units will be the lesser of the fair market rent for existing housing for comparable units in the area, or a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 80% of the AMFI for the area, with adjustments for number of bedrooms in the unit. The NSP rents to be charged for multi-family projects with 5 or more units will be the lesser of the fair market rent for existing housing for comparable units in the area, or a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 80% of the AMFI for the area, with adjustments for number of bedrooms; and 20% of the units must be occupied by families whose annual income is 50% or below AMFI and the rent will not exceed 30% of 50% of the AMFI for the area, with adjustments for number of bedrooms in the unit. The rent for middle-income families will be 30% of gross income for multi-family projects of any size.

### **Housing Rehabilitation/New Construction Standards:**

The City of Dallas has adopted the International Residential Code for new residential construction and the locally written, HUD approved, and implemented, "Minimum Acceptable Property Standards" for housing rehabilitation. The rehabilitation standards include:

- minimum standards for basic equipment and facilities for kitchens, bathrooms, hot water storage, connection to water and connection to sewer or septic system
  - minimum structural standards for exits, stairways, balconies, handrails, floors, floor coverings, walls, ceilings, roofs, siding, soffit, and drainage
  - minimum electrical standards for smoke detectors, outlets, and service
  - heat and air conditioning standards
  - energy conservation measures for insulation, weather-stripping, caulking, replacement of inefficient heating/cooling systems and replacement of single pane windows
- The rehabilitation standards also include specifications for rehabilitation projects: sitework, concrete and masonry metals, wood and plastics thermal protection, moisture protection, doors and windows finishes, vents, fireplaces, toilet and bath accessories equipment, mechanical, plumbing electrical handicap and ADA

### **Vicinity Hiring:**

Developers will seek local contractors and subcontractors to redevelop the areas of greatest need.

### **Grantee Contact Information:**

City of Dallas Housing/Community Services Department, 1500 Marilla St., 6CN, Dallas, Texas 75201

### **Procedures for Preferences for Affordable Rental Dev.:**

#### **RENTAL HOUSING**

For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds under \$15,000, the minimum period of affordability will be 5 years. For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds between \$15,000 and \$40,000, the minimum period of affordability will be 10 years. For rehabilitation or acquisition of existing single or multi-family rental housing per unit amount of NSP funds over \$15,000 or for rehabilitation involving refinancing, the minimum period of affordability will be 15 years. For new construction or acquisition of newly constructed single or multi-family rental housing, the minimum period of affordability will be 20 years.

#### **HOMEOWNERSHIP ASSISTANCE**

For homeownership assistance for single family housing whose family qualifies as a low-to-moderate income family and the housing is the principal residence of the family for the affordability period, the minimum period of affordability will be 5 years for a per unit amount of NSP homebuyer subsidy of under \$15,000. The minimum period of affordability will be 10 years for a per unit amount of NSP homebuyer subsidy of \$15,000 to \$40,000. The minimum period of affordability will be 15



years for a per unit amount of over \$40,000.

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	\$0.00	\$2,522,851.13
<b>Total Budget</b>	\$0.00	\$2,522,851.13
<b>Total Obligated</b>	\$0.00	\$2,519,902.83
<b>Total Funds Drawdown</b>	\$0.00	\$2,506,139.26
<b>Program Funds Drawdown</b>	\$0.00	\$1,937,304.90
<b>Program Income Drawdown</b>	\$0.00	\$568,834.36
<b>Program Income Received</b>	\$0.00	\$961,805.25
<b>Total Funds Expended</b>	\$0.00	\$2,503,946.07
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

### Funds Expended

Overall	This Period	To Date
ALTURA HOMES DFW, LP	\$ 0.00	\$ 410,193.23
Altura Homes	\$ 0.00	\$ 719,871.66
CITY OF DALLAS, TX	\$ 0.00	\$ 313,325.10
East Dallas community Organization	\$ 0.00	\$ 830,063.21
SCB INVESTMENTS, INC	\$ 0.00	\$ 230,492.87

### Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$ .00	\$ .00	\$ .00
<b>Overall Benefit Amount</b>	\$2,971,435.67	\$ .00	\$ .00
<b>Limit on Public Services</b>	\$353,544.30	\$ .00	\$ .00
<b>Limit on Admin/Planning</b>	\$235,696.20	\$330,036.97	\$313,325.10
<b>Limit on Admin</b>	\$ .00	\$330,036.97	\$313,325.10
<b>Most Impacted and Distressed</b>	\$ .00	\$ .00	\$ .00
<b>Progress towards LH25 Requirement</b>	\$825,442.45		\$1,430,076.25

### Overall Progress Narrative:

The City has funds available in the NOFA and are working to commit/expense in a project this year.

### Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3-01, ADMINISTRATIVE COSTS	\$0.00	\$330,176.98	\$193,192.11
NSP3-02, Acquisition /Redevelopment of Foreclosed	\$0.00	\$2,192,814.16	\$1,744,112.79



