

Memorandum



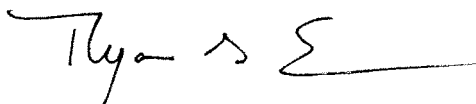
DATE February 3, 2012

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT Consolidated Plan Substantial Amendment #13

On Monday, February 6, 2012, you will be briefed on the Consolidated Plan Substantial Amendment #13. A copy of the briefing is attached.

Please let me know if you have any questions.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa A. Rios, Acting City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Administrative Judge, Municipal Court
A.C. Gonzalez, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Jerry Killingsworth, Housing/Community Services Director
Stephanie Pegues-Cooper, Assistant to the City Manager

Consolidated Plan Substantial Amendment #13

Briefing to the Housing Committee

**Housing/Community Services Department
February 6, 2012**



Purpose

- To recommend amendments to the FY 2008-12 Consolidated Plan including:
 - Accepting \$433,200 in HUD Emergency Solutions Grant Funding
 - Realigning Emergency Shelter Grant allocations to match federal regulations
 - Reprogramming of \$1,000,000 of Community Development Block Grant (CDBG) Funds from Residential Development/Acquisition Loan Program (RDALP) to the Mortgage Assistance Program (MAP)
 - Adopting an overall maximum standard for determining affordable rents and the maximum HOME Program rent levels for accomplishment and goal requirements for the Consolidated Plan
- To seek approval from the Housing Committee for these amendments



Emergency Shelter Grant

- The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act and made major revisions to the provision of Emergency Shelter Grants
- One of the revisions to the grant program was the renaming to Emergency **Solutions** Grants (ESG), noting a desire of the administration to solve homelessness
- HEARTH Act also formally acknowledged the Continuum of Care as a group of nonprofit homeless service providers who will utilize planning processes to coordinate services and address the needs of the homeless.

ESG - Continued

- In 2011, HUD notified the City of Dallas that it would receive \$770,133 in Emergency Shelter Grant funds as a first allocation until the Emergency Solutions Grant regulations were finalized.
- On June 22, 2011, City Council approved the FY 2011-12 Emergency Shelter Grant based on the old regulations as instructed by HUD until the final rule for the Solutions grant was finalized.
- Eligible activities include: operations, essential services, homelessness prevention, and administration.

ESG - Continued

- On December 5, 2011, HUD released the interim rule for the new Emergency Solutions Grant program and Consolidated Plan Conforming Amendments
- The City of Dallas was notified that it would receive an additional \$433,200 under the Emergency Solutions Grant for FY 2011-12
- Eligible activities under the Solutions grant allocation include: operations, essential services, homelessness prevention, rapid re-housing, data management, and administration

ESG Regulations

- Transitional housing programs are no longer an eligible activity under Emergency Solutions Grant
- HUD placed heavy emphasis on allocating funds for Rapid Re-housing
- 30% cap on Essential Services and Prevention was removed
- 60% cap on Street Outreach and Emergency Shelter Services was put in effect
- Clients must have income at or below 30% of Area Median Family Income to be assisted
- HUD mandated the use of the database system, Homeless Management Information System (HMIS), to track client level data
- Increased allowable costs for administration from 5% to 7.5%
- Required consultation with the Continuum of Care group of providers

Recommended FY 2011-12 Budget Amendment

Program Description	FY 2011-12 Council Adopted Budget	Changes Increase (+) Decrease (-)	Total
Homeless Prevention ¹	-	91,000	91,000
Rapid Re-housing ²		275,456	275,456
Homeless Mgt Information System ³	-	25,000	25,000
Contracts - Essential Services	88,362	-	88,362
Contracts - Facilities Operations	142,200	-	142,200
The Bridge - Essential Services	122,786	-7,900	114,886
The Bridge - Operations	378,279	-2,100	376,179
Administrative Costs	<u>38,506</u>	<u>51,744</u>	<u>90,250</u>
Total	<u>770,133</u>	<u>433,200</u>	<u>1,203,333</u>

1. Services will be provided through the Martin Luther King, Jr. and West Dallas Multipurpose Centers

2. Service providers will be solicited via RFP

3. Services are provided through MDHA as lead agency for the Continuum of Care

Recommendation for Reprogramming CDBG Funds

- Reprogram \$1,000,000 in CDBG funds from the Residential Development/Acquisition Loan Program (RDALP) to the Mortgage Assistance Program (MAP)
 - In September 2011, the City Council approved changes to the categories of assistance provided under the MAP program to include Existing Homes and New Construction
 - At that time, Housing staff began considering requests to add a third category for Infill Housing
 - The Housing staff is now recommending a third category of MAP assistance for Infill Housing defined as newly constructed homes in the Neighborhood Investment Program (NIP) areas and allocating \$1,000,000 to that category with all other program policies remaining the same



Recommendation for Affordable Rent Schedule

- The Department of Housing & Urban Development (HUD) has asked the City of Dallas to formally adopt and include an Affordable Rent Schedule as the City's overall maximum standard for determining affordable rents and the maximum HOME Investment Partnership ACT (HOME) rent levels for accomplishment and goal requirements required in the Consolidated Plan (Exhibit A and Exhibit B attached)

Staff Recommendation

- We recommend the Housing Committee approve the Consolidated Plan Substantial Amendment #13:
 - Accepting \$433,200 in HUD Emergency Solutions Grant Funding
 - Realigning Emergency Shelter Grant allocations to match federal regulations
 - Reprogramming of \$1,000,000 of Community Development Block Grant (CDBG) Funds from Residential Development/Acquisition Loan Program (RDALP) to the Mortgage Assistance Program (MAP)
 - Adopting an overall maximum standard for determining affordable rents and the maximum HOME Program rent levels for accomplishment and goal requirements for the Consolidated Plan

Next Steps

- February 22 - March 28, 2012 public comment period
- February 22, 2012 - City Council will consider preliminary adoption of the substantial amendment and call the public hearing
- February 22, 2012 – City Council will consider an amendment to the Mortgage Assistance Program Statement to add the category of Infill Housing with an allocation of \$1,000,000 and an amendment to the contract with Enterprise Community Partners for the additional funds
- March 28, 2012 – City Council will hold a public hearing and consider final approval of substantial amendment
- April 1 – Implementation of program changes



Exhibits A & B

Exhibit A

City of Dallas Affordable Rent Schedule (Effective December 1, 2011)

Area Median Family Income (AMFI) for a Household of Four (4) for the Dallas Area for 2012: \$70,100

Household Size	¹ 80% of Dallas AMFI (Maximum Allowable Qualifying Income)
1 Person	\$39,300
2 Persons	\$44,900
3 Persons	\$50,500
4 Persons	\$56,100
5 Persons	\$60,600

Unit Type	² Monthly Maximum Rents 30% of 80% of AMFI (Including Utilities)	³ Utility Allowance	Monthly Maximum Rent (Excluding Utilities)
Efficiency	\$ 983.00	\$106	\$ 877.00
1 Bedroom	\$1,053.00	\$130	\$ 923.00
2 Bedroom	\$1,263.00	\$162	\$1,101.00
3 Bedroom	\$1,459.00	\$186	\$1,273.00

¹ Income limits are for 2012 and are subject to change annually upon notification from HUD. HUD allows for rounding up to the nearest \$50 in determining eligibility.

² Rents assume 1.5 persons per bedroom

³ Utility allowances are based on HUD's Section 8 allowances and assume that units are all electric; tenant pays for electric and water/sewer/trash collection; and the landlord furnishes the kitchen range and refrigerator.

Exhibit B

Rent Limits for 2012 HOME and Fair Market Rents (FMR)

HOME definitions are effective: **July 13, 2011 through July 13, 2012**¹

FMR definitions are effective: **Sept. 2011 through Sept. 2012**¹

HUD Metro FMR Area (HMFA) estimate of the median family income for the Dallas area is:

\$70,100

Number of Bedrooms In Unit	Nominal Household Size ²	HOME Rents		Fair Market Rents (FMR)
		"Low" 4	"High" 5	Total Rent
0	1	\$605	\$671*	\$649
1	1	\$648	\$744*	\$719
2	3	\$777	\$905*	\$868
3	4	\$898	\$1,134	\$1,130
4	6	\$1,002	\$1,245	\$1,337
5	7	\$1,106	\$1,356	\$1,538
6	9	\$1,209	\$1,466	\$1,738

¹ Ending date is depended upon HUD's release of the new rent limits for the Federal Fiscal Year.

² "Nominal Household Size" estimates are derived by multiplying the number of bedrooms in a unit by 1.5 persons, (HUD's recommended "rule of thumb") and then rounding down to the nearest whole integer.

The HUD "HOME" Program rents published June 28, 2011, effective July 13, 2011:

"Low" 4 = 30% of 50% of AMFI (cannot exceed the High HOME Rents)

"High" 5 = 30% of 65% of AMFI

* (High 5) - HOME Program Rent held at last year' (2010) level. For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

Updated on 1/12/12