

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** 4  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** 55Z

---

### **SUBJECT**

Authorize a public hearing to be held on April 10, 2013 to receive comments on the proposed sale of one unimproved property (list attached) acquired by the taxing authorities from the Sheriff to Dallas Neighborhood Alliance for Habitat, Inc., a qualified non-profit organization, under the HB110 process of the City's Land Transfer Program and the release of the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any - Financing: No cost consideration to the City

### **BACKGROUND**

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records. Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

**BACKGROUND (continued)**

Dallas Neighborhood Alliance for Habitat, Inc., submitted a proposal to construct one (1) single-family home containing approximately 1,279 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$75,000 to \$85,000 with construction to begin in March 2016.

This item calls for a public hearing on April 10, 2013, at 1:00 PM in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, to allow the public an opportunity to comment on the proposed sale of the one unimproved property to Dallas Neighborhood Alliance for Habitat, Inc. At the close of the public hearing, the City Council will be asked to authorize the sale of the property to Dallas Neighborhood Alliance for Habitat, Inc., by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

This item has no prior action.

**FISCAL INFORMATION**

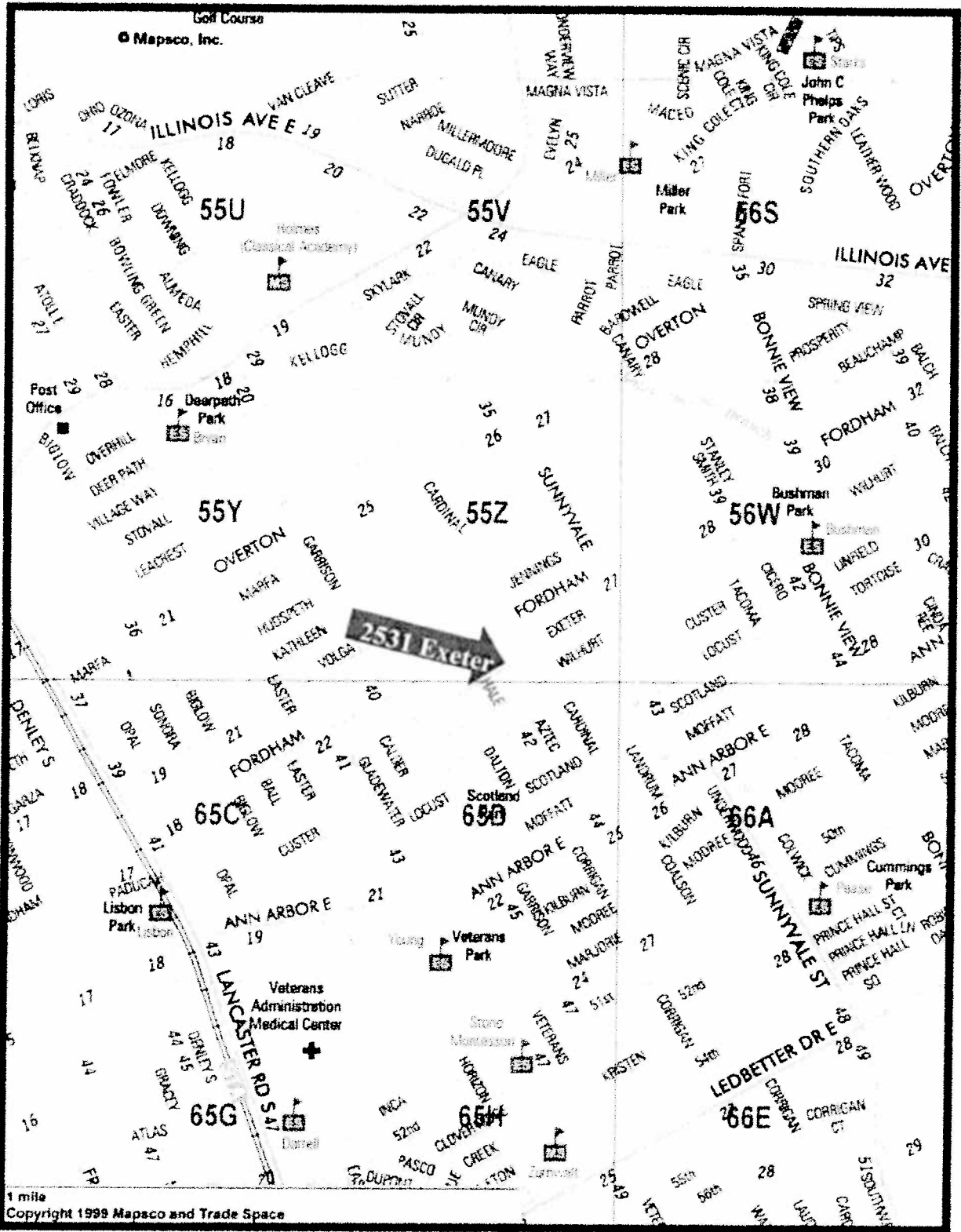
No cost consideration to the City

**MAP**

Attached

### Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>DCAD Amount</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>
1.	2531 Exeter	Dallas Neighborhood Alliance for Habitat, Inc.	\$6,900	\$1,000.00	V	R-7.5(A)



**MAPSCO 55Z**

February 27, 2013

**WHEREAS**, the of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

**WHEREAS**, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

**WHEREAS**, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

**WHEREAS**, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

**WHEREAS**, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

**WHEREAS**, Dallas Neighborhood Alliance for Habitat, Inc., submitted a proposal to construct one (1) single-family home containing approximately 1,279 square feet on the one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyer at a proposed sales price from \$75,000 to \$85,000 with construction to begin in March 2016; and

**WHEREAS**, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing will be placed on the property, notification of the public hearing will be mailed to property owners within 200 feet of the property, and notice of the public hearing will be published in the Dallas Morning News; **NOW, THEREFORE,**

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

February 27, 2013

**Section 1.** That the public hearing shall be held at 1:00 p.m. on April 10, 2013 in the City Council Chambers, Dallas City Hall, 6th floor, 1500 Marilla Street, Dallas, Texas, at which time any interested person may appear and speak for or against the proposed sale by quitclaim deed of one (1) unimproved property, identified on Exhibit A, acquired by the taxing authorities from the Sheriff to Dallas Neighborhood Alliance for Habitat, Inc., a qualified non-profit organization in accordance with the HB 110 process of the City's Land Transfer Program.

**Section 2.** That at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing shall be placed on the property, notification of the public hearing shall be mailed to property owners within 200 feet of the property, and notice of the public hearing shall be published in the Dallas Morning News.

**Section 3.** 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**

**TAX FORECLOSURE PROPERTY SALE**

<b>PARCEL</b>	<b>Address</b>	<b>Mapsco</b>	<b>Non-Profit Organization</b>	<b>Sale Amount</b>
1.	2531 Exeter	55Z	Dallas Neighborhood Alliance for Habitat, Inc.	\$1,000.00

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** N/A

---

### **SUBJECT**

Authorize an amendment to the Mortgage Assistance Program for FY 2012-13 to add an eligible homebuyer category to include those homebuyers purchasing a new home constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) - Financing: No cost consideration to the City

### **BACKGROUND**

The Mortgage Assistance Program (MAP) is funded with U.S. Department of Housing and Urban Development (HUD) annual allocations. MAP provides principal reduction, down payment, and closing cost assistance to eligible homebuyers to purchase a home in the City of Dallas. MAP provides homeownership opportunities for residents of the City of Dallas earning at or below 80% of area median family income.

Historically, the Housing/Community Services Department has contracted with Enterprise Community Partners to administer the program. In the Spring of 2012, Enterprise Community Partners, Inc. notified the City of Dallas that it would not renew its contract. As of October 1, 2012, the Housing/Community Services Department began operating the MAP Program in-house.

The MAP Program currently has two categories of funds: 1) eligible homebuyers purchasing existing homes may receive up to \$8,500 in principal reduction and closing cost assistance with a 5-year forgivable loan; and 2) eligible homebuyers purchasing a home constructed by a Certified Community Housing Development Organization (CHDO) may receive up to \$20,000 in principal reduction and closing cost assistance with a 10-year forgivable loan.



## **BACKGROUND (continued)**

This Council action will approve changes to the policy that will be used for the MAP Program during FY 2012-13. It will add a third category of eligible homebuyers to include those purchasing a new home that is constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank). This category of homebuyer may receive up to \$10,000 in principal reduction and closing cost assistance with a 5-year forgivable loan.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

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

On June 27, 2012, the City Council approved the final FY 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 12-1629.

On August 20, 2012, the Housing Committee of the City Council was briefed on the MAP program changes for FY 2012-13 including bringing the Program in-house.

On September 26, 2012, the City Council approved the FY 2012-13 Mortgage Assistance Program by Resolution No. 12-2403.

## **FISCAL INFORMATION**

No cost consideration to the City

February 27, 2013

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

**WHEREAS**, the Mortgage Assistance Program provides assistance to eligible homebuyers; and,

**WHEREAS**, on June 27, 2012, the City Council approved the final FY 2012-13 Consolidated Plan Budget for U.S. Department of Housing and Urban Development Grant Funds by Resolution No. 12-1629; and,

**WHEREAS**, the City now desires to amend the Mortgage Assistance Program for the period October 1, 2012 through September 30, 2013; **NOW, THEREFORE**,

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

**SECTION 1.** That the City Manager is authorized to amend the Mortgage Assistance Program (MAP) for FY 2012-13 to add an eligible homebuyer category to include those homebuyers purchasing a new home constructed on properties sold by the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank).

**SECTION 2.** That the City Manager is authorized to execute such instruments, upon approval as to form by the City Attorney, as may be necessary to carry out the program in accordance with the MAP Program Statement (Exhibit A attached).

**SECTION 3.** That the City Controller be authorized to encumber and disburse funds in accordance with the MAP Program Statement.

**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 is accordingly so resolved.

## EXHIBIT A

### **FY 12-13 PROGRAM STATEMENT (REVISED) 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
- The City Manager, or his designee, is authorized to implement the Mortgage Assistance (MAP) program 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
- The City Manager, or a designee, is authorized to review portfolio loans for appropriate affordability compliance and release those loans that have met those compliance requirements
- Assistance may be provided from only one of the categories listed below

#### **Categories of Assistance:**

##### **Category #1: Available Funding \$340,000 – 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 \$8,500
- 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 ~~\$1,760,000~~ \$1,360,000 – Homebuyer Assistance for Newly Constructed Community Housing Development Organization (CHDO) Homes**

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes
- A newly constructed CHDO home is defined as a home which has not been previously occupied by another homeowner and constructed by a City of Dallas Certified CHDO
- Subsidy amount up to \$20,000
- 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)

**Category #3: Available Funding \$400,000 – Homebuyer Assistance for Newly Constructed Homes on Lots Purchased from the Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank)**

- Provides (i) principal reduction and (ii) closing cost assistance to low to moderate income homebuyers for newly constructed homes on Land Bank lots
- A newly constructed home is defined as a home which has not been 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

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** 7  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** 46W

---

**SUBJECT**

A public hearing to receive comments on the proposed sale of one unimproved property acquired by the taxing authorities from the Sheriff to Cornerstone Community Development Corporation, a qualified non-profit organization; and, at the close of the public hearing, authorize the City Manager to: **(1)** quitclaim one unimproved property to under the HB110 process of the City's Land Transfer Program; and **(2)** release the City's non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any (list attached) - Revenue: \$1,000

**BACKGROUND**

The HB110 process of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions.

Property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed. The quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code. Per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records.

## **BACKGROUND (continued)**

Prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public.

Cornerstone Community Development Corporation submitted a proposal to construct one single-family home containing approximately 1,500 square feet on one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached to the resolution, for purchase by a low to moderate income homebuyer at a proposed sales price of \$115,000, with construction to begin in May 2013.

This item calls for a public hearing to allow the public an opportunity to comment on the proposed sale of the one unimproved property to Cornerstone Community Development Corporation and, at the close of the public hearing, authorizes the sale of the property to Cornerstone Community Development Corporation by quitclaim deed and the release of the City's non-tax liens included in the foreclosure judgment and the post-judgment non-tax liens, if any.

In conformance with the Code, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing was placed on the property, notification of the public hearing was mailed to property owners within 200 feet of the property, and notice of the public hearing was published in the Dallas Morning News.

## **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On February 13, 2013, the City Council authorized a public hearing to receive comments on the proposed sale by quitclaim deed of one unimproved property acquired by the taxing jurisdictions from the Sheriff to Cornerstone Community Development Corporation.

## **FISCAL INFORMATION**

Revenue - \$1,000

## **OWNER**

**Cornerstone Community Development Corporation**

Major Williams, President

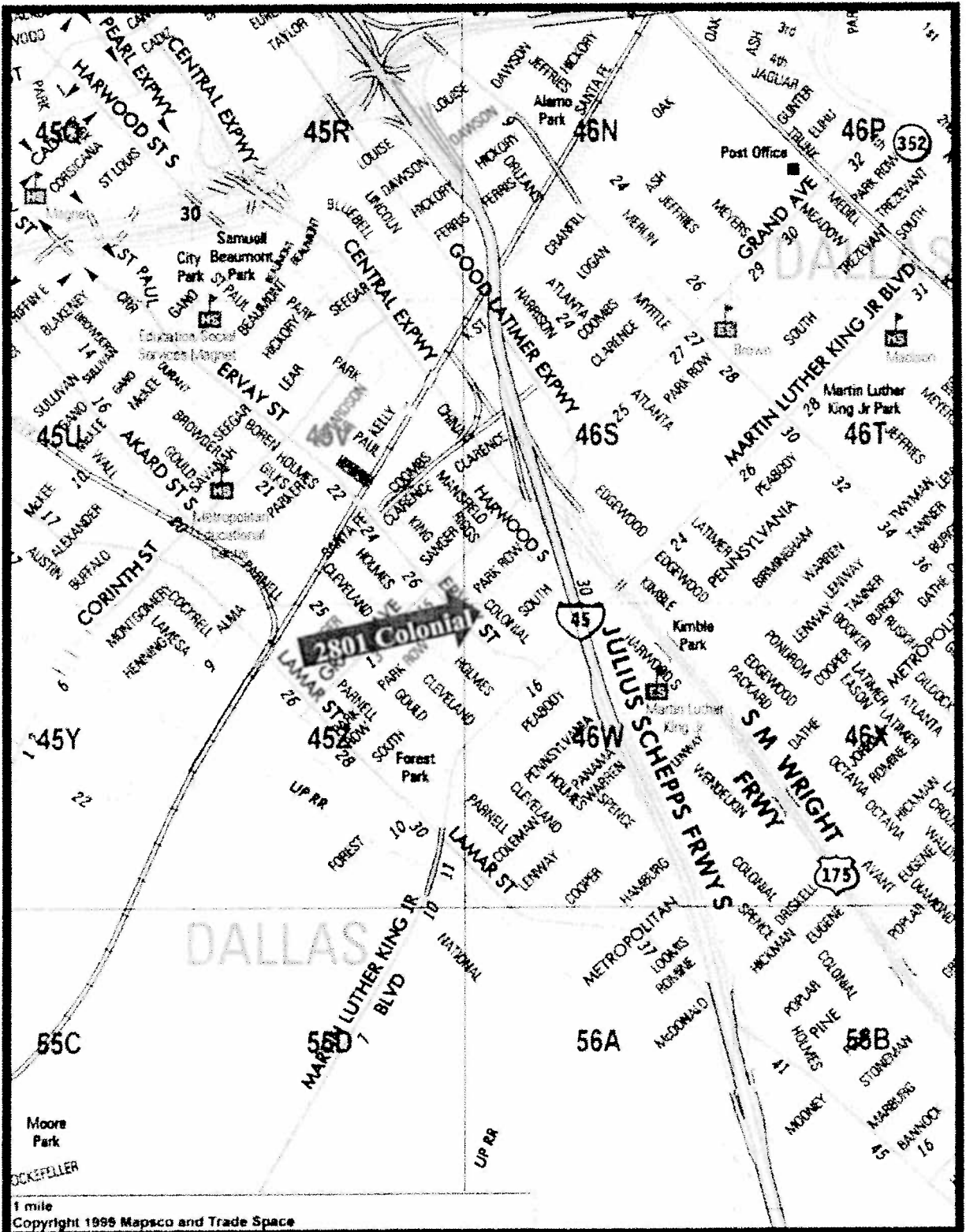
## **MAP**

Attached



### Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>Mapsco</u>	<u>DCAD Amount</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>
1.	2801 Colonial	Cornerstone Community Development Corporation	46W	\$8,330	\$1,000.00	V	PD-595



MAPSCO 46W

February 27, 2013

**WHEREAS**, the of the City's Land Transfer Program, in accordance with Section 2-26 of the Dallas City Code ("Code") and with Section 253.010 of the Texas Local Government Code, permits the City to sell land, which the City has acquired as a trustee, for itself and the other taxing jurisdictions, from the Sheriff pursuant to the tax foreclosure process, to a qualified non-profit organization for the purpose of providing affordable housing, subject to the consent of the other taxing jurisdictions; and

**WHEREAS**, property eligible for the HB110 process of the City's Land Transfer Program must be sold by quitclaim deed and include a possibility of reverter and right of re-entry, triggered under certain conditions, including if construction of affordable housing is not completed on the property within three years of the non-profit's receipt of the quitclaim deed; and

**WHEREAS**, the quitclaim deed must also include deed restrictions that ensure the desired development of the property and maintain the affordability of the property as required by the Code; and

**WHEREAS**, per the Code, the sales price of each property is \$1,000 for up to 7,500 square feet of land plus \$0.133 for each additional square foot of land, which amount is distributed by the City to both the City and the other taxing jurisdictions in accordance with Section 34.06 of the Texas Tax Code, plus an amount equal to the actual fees charged for recording the Sheriff's deed and the quitclaim deed in the real property records; and

**WHEREAS**, prior to the approval of any sale, the Code requires that the City Council hold a public hearing to receive comments on the proposed sale of land and provide certain notices to the public; and

**WHEREAS**, Cornerstone Community Development Corporation, submitted a proposal to construct one single-family home containing approximately 1,500 square feet on one unimproved HB110 process-eligible, Land Transfer Program property, identified on Exhibit A, attached hereto and made a part hereof (hereinafter the "property"), for purchase by a low to moderate income homebuyer at a proposed sales price of \$115,000, with construction to begin in May 2013; and

**WHEREAS**, at least ten calendar days prior to the public hearing, a sign indicating the time and place of the public hearing was placed on the property, notification of the public hearing was mailed to property owners within 200 feet of the property, and notice of the public hearing was published in the Dallas Morning News; **NOW, THEREFORE,**

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

February 27, 2013

**Section 1.** That upon receipt of the requisite monetary consideration from Cornerstone Community Development Corporation, (hereinafter the “non-profit organization”) and the approval of the governing bodies of the other affected taxing jurisdictions, the City Manager is hereby authorized to execute a quitclaim deed, approved as to form by the City Attorney and attested by the City Secretary, quitclaiming the property, acquired by the taxing authorities from the Sheriff, to the non-profit organization, subject to the conditions contained in this resolution.

**Section 2.** That the City Manager is hereby authorized to execute instruments, approved as to form by the City Attorney, releasing the City’s non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any, on the property.

**Section 3.** That the non-profit organization’s proposal for the development of affordable housing on the property, described in Exhibit A, is hereby approved.

**Section 4.** That the quitclaim deed shall contain:

(a) A copy or summary of the proposal from the non-profit organization for the property and a requirement that the property be developed by the non-profit organization in accordance with the proposal, including the timetable specified in the proposal.

(b) A possibility of reverter with right of re-entry if the director determines that the non-profit organization:

(i) has failed to take possession of the property within ninety calendar days after receiving the quitclaim deed;

(ii) has failed to complete construction of affordable housing on the property within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code;

(iii) is not developing the property in compliance with the timetable specified in the non-profit organization’s proposal;

(iv) is unable to develop the land in compliance with its proposal because a request for a zoning change has been denied;

(v) has incurred a lien on the property because of violations of the Code or other City ordinances within three years after receiving the quitclaim deed; and

February 27, 2013

(vi) has sold, conveyed, or transferred the property without the consent of the City and the other affected taxing jurisdictions within three years after receiving the quitclaim deed.

(c) Deed restrictions requiring the purchaser to:

(i) restrict the sale and resale of owner-occupied property to low-income individuals or families for five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located;

(ii) require the non-profit organization to develop all proposed housing units on the property in accordance with the Code and all applicable City ordinances and state and federal laws within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code, and to obtain inspections and approval of the housing units by the City before initial occupancy; and

(iii) require any low-income individual or family who purchases a housing unit on a property to maintain the housing unit in accordance with the Code and all applicable City ordinances and state and federal laws for a period of five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located.

(d) An indemnification by the non-profit organization of the City and other affected taxing jurisdictions.

(e) A statement and acknowledgment that the property is quitclaimed subject to all redemption rights provided by state law.

(f) The non-profit organization's representation and agreement that it did not purchase the property on behalf of a "prohibited person" and will not sell or lease the property to a "prohibited person" for five years from the date of the quitclaim deed. A "prohibited person" is any party who was named as a defendant in the legal proceedings where the City obtained a final judgment for delinquent taxes and an order to foreclose its tax lien on the property or person in the judgment or seizure tax warrant, or the Sheriff's deed as the owner of the property, authorized seized and ordered sold for delinquent taxes and any municipal health and safety liens.

February 27, 2013

**Section 5.** That the City Manager is authorized to execute instruments, approved as to form by the City Attorney, releasing the City's possibility of reverter with right of re-entry and terminating the deed restrictions to the property upon compliance with all terms and conditions of Section 2-26 of the Code and the quitclaim deed, including the deed restrictions and the proposal.

**Section 6.** That the non-profit organization shall be responsible for the pro-rata taxes assessed on the property from the date of closing for the remaining part of the then-current calendar year. The property shall be placed back on the tax rolls effective as of the date of execution of the quitclaim deed.

**Section 7.** That any procedures required by Section 2-24 of the Code that are not required by state law are hereby waived with respect to conveyance of the property.

**Section 8.** That the monetary consideration received from the non-profit organization shall be distributed pursuant to the Section 34.06 of the Texas Tax Code.

**Section 9.** That any and all proceeds for the City's sale of the property to the non-profit organization be deposited to General Fund 0001, Dept DEV, Balance Sheet Account 0519.

**Section 10.** That upon receipt of the monetary consideration from the non-profit organization, the City Controller is authorized to disburse proceeds of the sale of the property in accordance with Section 34.06 of the Texas Tax Code, which calculations for disbursement shall be provided by the Director of Sustainable Development and Construction, to the City of Dallas Land Based Receivables, the Dallas County District Clerk and the Dallas County Tax Office from the account specified in Section 9 above.

**Section 11.** 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 according so resolved.

**EXHIBIT A**

**TAX-FORECLOSED (TF) AND/OR SEIZURE WARRANT (SW) PROPERTY RESALE**

**February 27, 2013**

PARCEL NO.	STREET ADDRESS/ LEGAL DESCRIPTION	TF/SW	VACANT/ IMPROVED	INSTRUMENT NUMBER	QUALIFIED NON-PROFIT PURCHASER	HOMEOWNER RENTAL LEASE PURCHASE	NUMBER OF DWELLING UNITS	SALE AMOUNT
1	<b>2801 Colonial</b> Lot 2, Alexanders Rev. Block D/1131	SW	V	200018402614	Cornerstone Community Development Corporation	Homeowner	1	\$1,000.00
<b>TOTAL</b>								<b>\$1,000.00</b>

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** February 27, 2013  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing/Community Services  
**CMO:** Ryan S. Evans, 670-3314  
**MAPSCO:** N/A

---

**SUBJECT**

A public hearing to receive comments on Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program to establish a new CDBG Reconstruction/Share activity and reallocate \$400,000 from the CDBG Major System Repair Program activity to the Reconstruction/Share Program; and at the close of the public hearing, authorize the final adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan - Financing: No cost consideration to the City

**BACKGROUND**

On November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions for assistance up to \$87,500.

On December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400.

On May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD).



**BACKGROUND (Continued)**

On June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program.

This request is to reallocate funds as identified below:

From Source of Funds:

FY12-13	CDBG	Major System Repair Program	\$400,000
		TOTAL:	<u>\$400,000</u>

To Use of Funds:

FY12-13	CDBG	Reconstruction/Share Program	\$400,000
		TOTAL:	<u>\$400,000</u>

The Substantial Amendment No. 18 will: (1) establish a new CDBG Reconstruction/Share Program activity for FY 2012-13 Action Plan to provide funds for deferred loans to low-income homeowners for reconstruction of their existing homes (2) reallocate \$400,000 from the existing CDBG Major System Repair Program activity to the CDBG Reconstruction/Share Program activity. Notice of Substantial Amendment No. 18 was provided to the public on January 28, 2013, and comments were requested through February 27, 2013.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions for assistance up to \$87,500 by Resolution No. 07-3307.

On April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to add an amenities package up to \$5,900 by Resolution No. 08-1266.

On October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI), and are 62 years of age or older or disabled, and to provide assistance with one (1) tax and insurance payment by Resolution No. 08-2768.

## **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

On December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951.

On September 22, 2010, City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program to include reconstruction of homes with a failure of 3 systems and a foundation, and/or life, safety and health concerns. Allow payoff of secured housing liens up to the dollar amount of the amenities package of \$5,900.00; thereby reducing the dollar amount available for reconstruction to no less than \$87,500, but not changing the total loan amount of \$93,400. Annually, 10% of funds may be used to assist persons younger than 62 years of age, or without a disability, and still meeting all other loan criteria by Resolution No. 10-2465.

On November 10, 2010, City Council authorized an amendment to the Home Repair Program Statement for Reconstruction/SHARE Program Statement previously approved on September 22, 2010 by Resolution No. 10-2465; allow payoff of liens up to the amount of the amenities package of \$5,900 amended to: allow refinancing of liens up to the amount of the amenities package of \$5,900 by Resolution No. 10-2884.

On May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD) by Resolution No. 11-1349.

On June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program by Resolution No. 12-1629.

On January 23, 2013, City Council approved preliminary adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program, and authorized a public hearing, by Resolution No. 13-0210.

## **FISCAL INFORMATION**

No cost consideration to the City

February 27, 2013

**WHEREAS**, on November 12, 2007, City Council approved the Program Statement authorizing the Housing Department to implement the Reconstruction/SHARE Program Statement for reconstruction on-site pursuant to certain conditions and for assistance up to \$87,500 by Resolution No. 07-3307; and

**WHEREAS**, on April 23, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement which added an amenities package up to \$5,900 by Resolution No. 08-1266; and

**WHEREAS**, on October 8, 2008, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to assist low-income homeowners at 80% of AMFI, and 62 years of age or older or disabled, and to provide assistance with one (1) tax and insurance payment by Resolution No. 08-2768; and

**WHEREAS**, on December 9, 2009, City Council authorized an amendment to the Reconstruction/SHARE Program Statement to increase the maximum Reconstruction Program Assistance Type One loan amount from \$87,500 to \$93,400 by Resolution No. 09-2951; and

**WHEREAS**, on September 22, 2010, the City Council authorized modifications to the Program Statement for the Reconstruction/SHARE Program by Resolution No. 10-2465; and

**WHEREAS**, on November 10, 2010, City Council authorized an amendment to the Home Repair Program Statement for Reconstruction/SHARE Program Statement previously approved on September 22, 2010 by Resolution No. 10-2465; allow payoff of liens up to the amount of the amenities package of \$5,900 amended to: allow refinancing of liens up to the amount of the amenities package of \$5,900 by Resolution No. 10-2884; and

**WHEREAS**, on May 25, 2011, City Council authorized modifications to the Reconstruction/SHARE Program Statement to: (1) increase the maximum Reconstruction Program Assistance Type One loan amount from up to \$93,400 to up to \$103,000; (2) provide assistance to the extent permitted under appropriate regulations to cover the difference in the amount needed to complete an on-site reconstruction when either the contractor or property owner terminates the existing contract; and (3) clarification of the use of funds and deleting the payment of taxes in accordance with directions from the U.S. Department of Housing and Urban Development (HUD) by Resolution No. 11-1349; and

**WHEREAS**, on June 27, 2012, City Council adopted the final FY 2012-13 Consolidated Plan Budget which appropriated Community Development Block grant funds to be used for the Major Systems Repair Program by Resolution No. 12-1629; and

February 27, 2013

**WHEREAS**, On January 23, 2013, City Council approved preliminary adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program, and authorized a public hearing, by Resolution No. 13-0210; and

**WHEREAS**, federal regulations and City's Citizen Participation Plan requires not less than a 30-day public comment period and public hearing be held on any substantial amendment; and

**WHEREAS**, notice was provided to the public on January 28, 2013, and comments were requested through February 27, 2013; **NOW, THEREFORE**,

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

**SECTION 1.** Authorize final adoption of Substantial Amendment No. 18 to the FY 2012-13 Action Plan for the Reconstruction/Share Program to establish a new CDBG Reconstruction/Share activity and reallocate \$400,000 from the CDBG Major System Repair Program activity to the Reconstruction/Share Program.

**SECTION 2.** That the City Manager is hereby authorized to decrease appropriations in FUND CD12, Dept. HOU, Unit 872E in the amount of \$400,000.

**SECTION 3.** That the City Manager is hereby authorized to establish appropriations in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 4.** That the City Controller is hereby authorized to receive and deposit grant funds in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 5.** That the City Controller is hereby authorized to disburse grant funds in Fund 12R1, Dept. HOU, Unit 954E in the amount of \$400,000.

**SECTION 6.** 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 according so resolved.

## Memorandum



CITY OF DALLAS

DATE February 15, 2013

TO Members of the Housing Committee,  
Carolyn R. Davis (Chair), Scott Griggs (Vice Chair), Linda Koop, Pauline Medrano, Dwaine Caraway

SUBJECT 2013 Low Income Housing Tax Credit Projects (Addendum)

On February 19, 2013, the Housing Committee will be briefed on the 9% Low Income Housing Tax Credits submitted to the City of Dallas. During this briefing recommendations regarding the support of these applications will be presented.

On February 27, 2013, the City Council will consider approving the recommendations for support of the same 9% Low Income Housing Tax Credit projects on an individual basis on the Addendum Agenda.

Should you have any questions, please contact me at (214) 670-3296.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Daniel Solis, 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