

# Memorandum



DATE December 3, 2010

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dwaine Caraway, Angela Hunt, Ann Margolin, Pauline Medrano

SUBJECT Hazardous Property Receivership and Operation Goodwill Program

On Monday, December 6, 2010, you will be briefed Hazardous Property Receivership and Operation Goodwill Program. A copy of the briefing is attached.

Please let me know if you have any questions.



A. Gonzalez  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Deborah Watkins, City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
C. Victor Lander, Administrative Judge, Municipal Court  
Ryan S. Evans, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jerry Killingsworth, Housing/Community Services Director  
Helena Stevens-Thompson, Assistant to the City Manager

# **Hazardous Property Receivership and Operation Goodwill Program**

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**A Briefing to the  
Housing Committee**

**Housing/Community Services Department  
December 6, 2010**



# KEY FOCUS AREA: ECONOMIC VIBRANCY

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## PURPOSE

- Provide:
  - Information regarding the Hazardous Property Receivership Program
  - Information regarding the Operation Goodwill Program
  - A Recommendation for a City policy to facilitate implementation of these two programs

# Hazardous Property Receivership Program

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- The SB 1449 Bill was enacted in Texas on September 1, 2009
- Provides authority for the City of Dallas or designated qualified housing organizations to:
  - bring lawsuits against non-owner occupied dangerous properties in order to restore those properties to safe and habitable conditions

# Receivership Program Guidelines

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- Eligible properties include:
  - Single-family and multi-family properties
  - Vacant land
  - Land with structures
  - Those posing serious and imminent public health or safety hazards
- Court action is taken to appoint a Receiver for a property
- The Receiver would:
  - Bring the property up to a safe condition through demolition, repairs, or clearance activities
  - Place a lien on the property
  - Attempt to recover their costs from the owner or be awarded ownership by the Courts

# Guidelines (continued)

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- The City of Dallas may designate qualified non-profit housing organizations for Receivership
  - Criteria include:
    - 501(c) 3 and State Incorporated
    - Organizational and Financial Capacity
    - Currently working in the area where the property is located
    - Has record of community involvement
- Receivers must have sufficient capacity and experience to rehabilitate homes
- The Court may return the property to the owner if the lien is satisfied, force sale, or order an ownership change with clear title

# Operation Goodwill Program

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- Consolidated Appropriations Act, 2004 provides the Attorney General the authority to transfer forfeited real or personal property to the State, City, or its designated transferee to use for housing
  - Property must be of marginal value at \$50,000 or less
  - Properties typically come from owners convicted of drug crimes
  - Properties may be improved or unimproved
  - Recipient must be a designated non-profit with housing experience
  - Title will be cleared by U.S. Marshals Service
  - Property must be put back into use within one year

# Operation Goodwill Pre-Award Process

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- Property is screened for eligibility by the U.S. Marshals Service
- All law enforcement agencies entitled to equitable sharing must agree to waive their recovery rights
- Title is cleared through forfeiture process
- City or State applies to receive property or designates a non-profit to apply
- City/State/Non-profit submits detailed proposal
- Proposed use must meet purpose of the statute
- Applicant must agree to pay U.S. Marshals' expenses, outstanding liens and mortgages



# Proposal Approval Process

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- Asset Forfeiture Office (AFO) will review proposal
- Upon approval, proposal is reviewed by U.S. Marshal
- Upon concurrence, proposal is reviewed by Criminal Division
- Final approval obtained by the Attorney General's Office
- Memorandum of Understanding by all parties, including recipient, is signed

# Recommendation

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- In order to facilitate both the Receivership and Goodwill Programs, the City of Dallas will designate non-profit housing organizations
  
- Designation process:
  - Interested housing organizations would submit an application to the Housing/Community Services Department with the required information to meet the minimum criteria
  - Staff would review information and provide recommendation to Director
  - Director would make final determination and a letter (effective for one year) designating eligible organizations would be provided to the nonprofit

# NEXT STEPS

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- January 2011 - City Council Agenda Item to approve Program Statement with designation criteria formalized
- February 2011 - begin certifying interested non-profit community based organizations for both programs