

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 12, 2010
COUNCIL DISTRICT(S): 3
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 44E J

SUBJECT

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Dallas Neighborhood Alliance for Habitat, Inc. for the construction of affordable houses; **(2)** the sale of 3 vacant lots from Dallas Housing Acquisition and Development Corporation to Dallas Neighborhood Alliance for Habitat, Inc.; and **(3)** execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

BACKGROUND

On February 4, 2008 and August 3, 2009, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Dallas Neighborhood Alliance for Habitat, Inc. (Habitat) has the right of first refusal in the area and submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 3 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Habitat to the City's Land Bank, the sale of those lots from DHADC to Habitat and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any. The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Habitat will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Habitat and construction financing is not closed within three years of conveyance. Habitat will build affordable houses on the lots.

BACKGROUND (continued)

The approximate square footage and sales prices of the houses will be from 1,170 to 1,380 square feet and from \$75,000 to \$95,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 percent of the AMFI. DHADC will receive \$13,430.00 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

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

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution 09-0981.

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557.

FISCAL INFORMATION

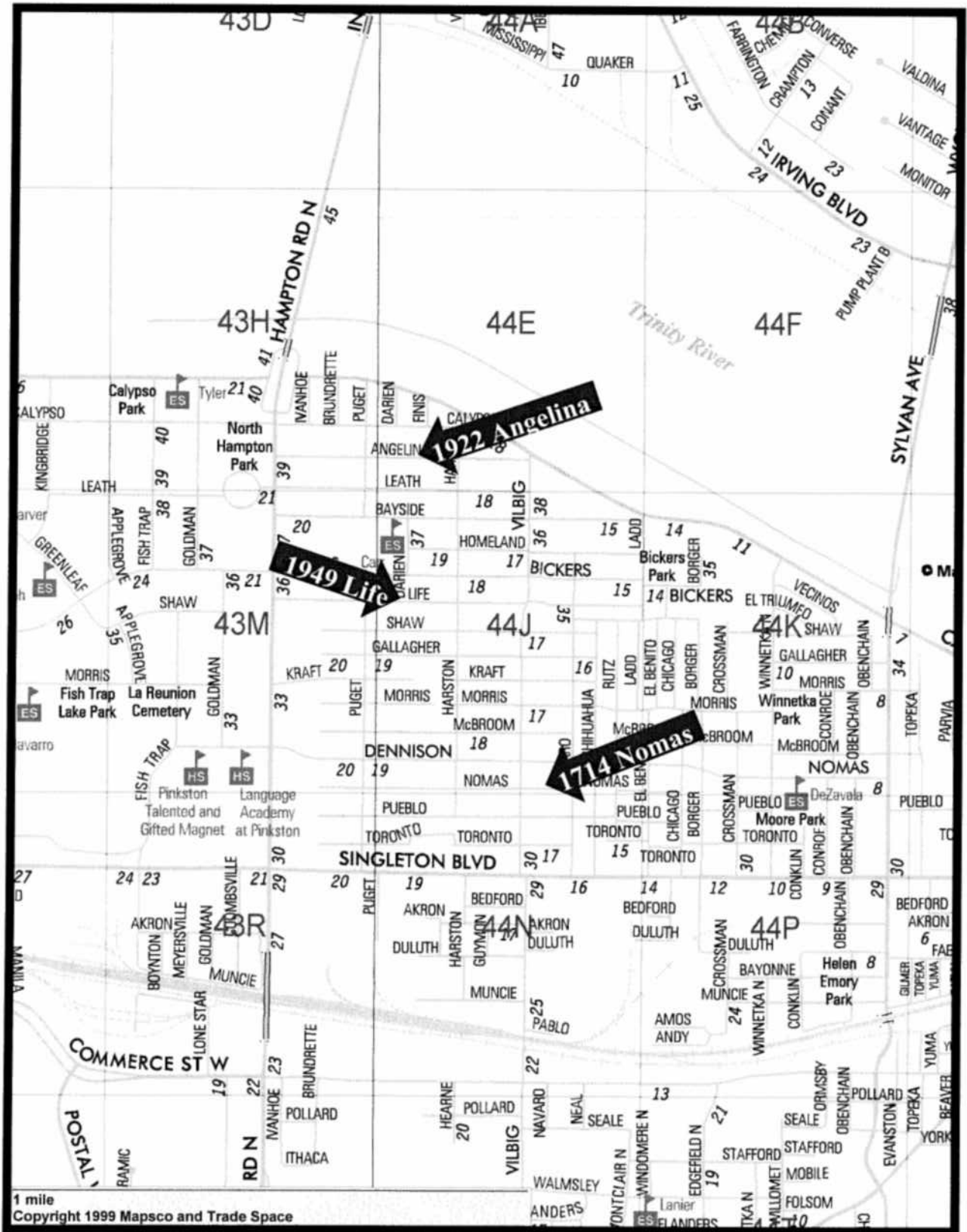
No cost consideration to the City.

MAP

Attached

**LAND BANK (DHADC) SALE OF 3 LOTS
TO DALLAS NEIGHBORHOOD ALLIANCE FOR HABITAT**

<u>Property Address</u>	<u>MAPSCO</u>	<u>Council District</u>
1. 1922 Angelina	44E	3
2. 1949 Life	44J	3
3. 1714 Nomas	44J	3



MAPSCO 44E & 44J

May 12, 2010

WHEREAS, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

WHEREAS, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

WHEREAS, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

WHEREAS, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

WHEREAS, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

WHEREAS, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

WHEREAS, on October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785; and

WHEREAS, on December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403; and

May 12, 2010

WHEREAS, on August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385; and

WHEREAS, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

WHEREAS, on August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257; and

WHEREAS, on October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785; and

WHEREAS, on April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 09-0981; and

WHEREAS, on September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313; and

WHEREAS, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557; and

WHEREAS, Dallas Neighborhood Alliance for Habitat, Inc. (Habitat) submitted a proposal and development plan to DHADC for 3 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

WHEREAS, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Habitat and authorize the sale of the said 3 lots from DHADC to Habitat to build affordable houses;

NOW, THEREFORE;

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

May 12, 2010

Section 1. That the development plan shown on Exhibit "B" submitted by Habitat and the sale of 3 lots shown on "Exhibit A" from DHADC to Habitat is approved.

Section 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

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.

DISTRIBUTION:

Housing/Community Services Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN

EXHIBIT "A"

LAND BANK PROPERTY				
PARCEL NUMBER	STREET ADDRESS LEGAL DESCRIPTION	QUALIFIED PURCHASER	NUMBER OF HOMEOWNER UNITS	SALE AMOUNT
1	1922 Angelina Lot 13, Roosevelt Manor Addition Block 12/7130	Dallas Neighborhood Alliance for Habitat	1	\$4,476.67
2	1949 Life Lot 12, Victory Gardens No. 5 Addition Block 28/7127	Dallas Neighborhood Alliance for Habitat	1	\$4,476.67
3	1714 Nomas Lot 14, Homestead Addition Block C/7116	Dallas Neighborhood Alliance for Habitat	1	\$4,476.66
TOTAL				\$13,430.00

EXHIBIT B

SECTION II: DEVELOPMENT PLAN

A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

- (1) Number of lots requested in this proposal. 3
- (2) Land Bank name for this parcel of lots. West Dallas
- (3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property"). 1922 Angelina, BLK 12/7130 LOT 13, 1949 Life, Victory Gardens, Lot 12 Life, and 1714 Nomas, Homestead BLK C/7116 LOT 14

B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

Single Family Home (to be sold to low income households at 60% or less of AMFI):

Number of homes to be built on lots 3
Square Footage of each home 1200 - 1500
Number of Bedrooms/Baths in each home 3 / 2
Number of Garages Number of Carports Detached Attached
Type of Exterior Veneer 1 Which sides Veneer
Sales Price ranges without Subsidies to Qualified Low Income Buyer \$85,000

Single Family Home (to be sold to low income households at 80% or less of AMFI):

Number of homes to be built on lots
Square Footage of each home
Number of Bedrooms/Baths in each home /
Number of Garages Number of Carports Detached Attached
Type of Exterior Veneer Which sides
Sales Price ranges without Subsidies to Qualified Low Income Buyer

Single Family Home (to be sold to low income households between 81% and 115% of AMFI):

Number of homes to be built on lots
Square Footage of each home
Number of Bedrooms/Baths in each home /
Number of Garages 1 Number of Carports Detached Attached
Type of Exterior Veneer Which sides
Sales Price ranges without Subsidies to Qualified Low Income Buyer

Attach extra sheet(s) breaking out above information for each different model of home.

PROVIDE FLOOR PLANS AND ELEVATIONS.

C. CONSTRUCTION TIMETABLE

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 729 days
Completion of Construction 1000 days
Sale of first affordable housing unit to low income households 1160 days
Sale of last affordable unit to low income households 1160 days

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 12, 2010
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 46V 47S

SUBJECT

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Frazier Revitalization, Inc. for the construction of affordable houses; **(2)** the sale of 4 vacant lots from Dallas Housing Acquisition and Development Corporation to Frazier Revitalization, Inc.; and **(3)** execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

BACKGROUND

On February 4, 2008 and August 3, 2009, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Frazier Revitalization, Inc. (Frazier) has the right of first refusal in the area and submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 4 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Frazier to the City's Land Bank, the sale of those lots from DHADC to Frazier and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any. The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Frazier will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Frazier and construction financing is not closed within three years of conveyance. Frazier will build affordable houses on the lots.

BACKGROUND (continued)

The approximate square footage and sales prices of the houses will be from 1,200 to 1,500 square feet and from \$100,000 to \$125,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 percent of the AMFI. DHADC will receive \$16,167.15 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

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

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution 09-0981.

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557.

FISCAL INFORMATION

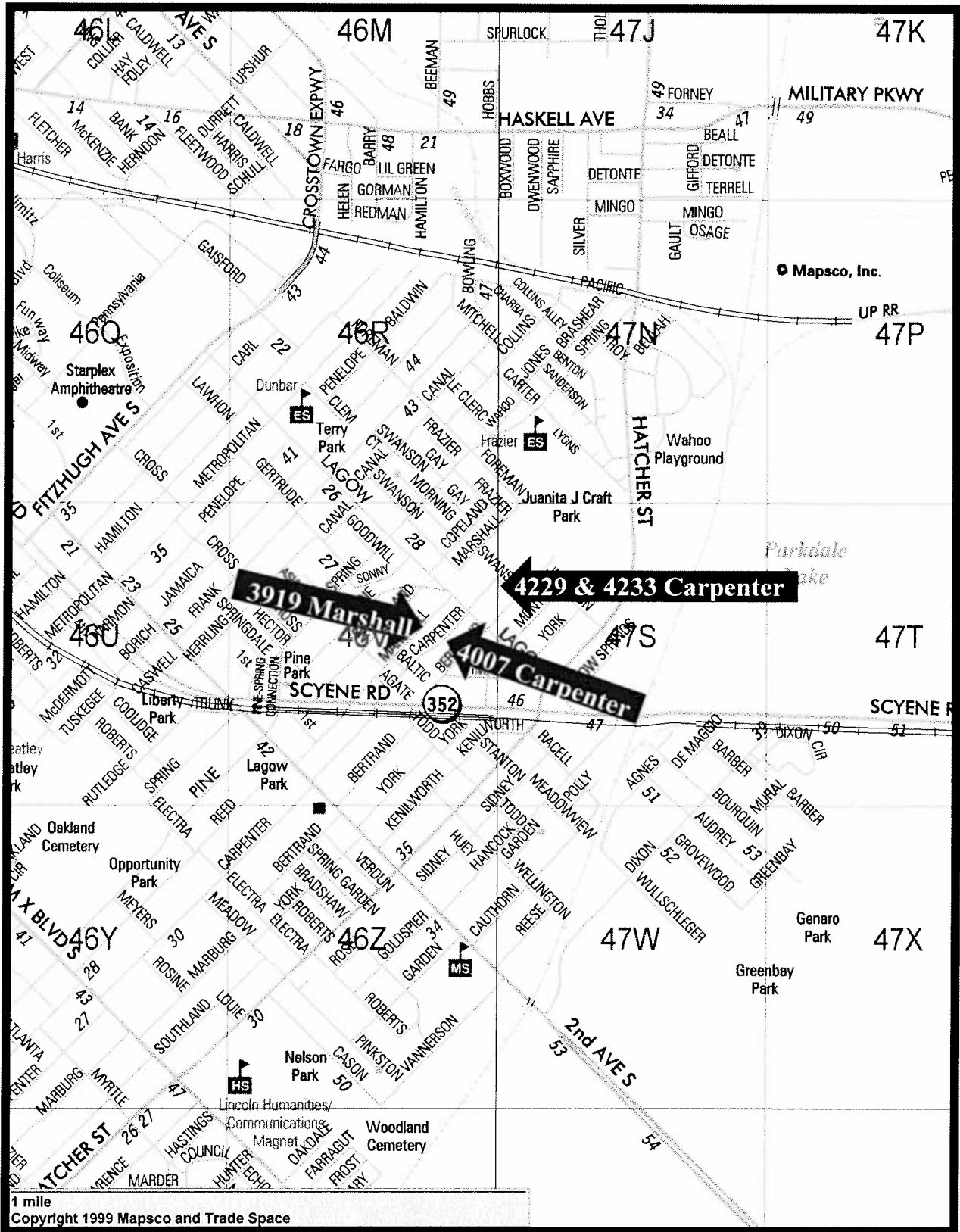
No cost consideration to the City.

MAP

Attached

**LAND BANK (DHADC) SALE OF 4 LOTS
TO FRAZIER REVITALIZATION, INC.**

<u>Property Address</u>	<u>MAPSCO</u>	<u>Council District</u>
1. 4007 Carpenter	46V	7
2. 4229 Carpenter	47S	7
3. 4233 Carpenter	47S	7
4. 3919 Marshall	46V	7



MAPSCO 46V & 47S

May 12, 2010

WHEREAS, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

WHEREAS, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

WHEREAS, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

WHEREAS, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

WHEREAS, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

WHEREAS, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

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May 12, 2010

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WHEREAS, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

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WHEREAS, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557; and

WHEREAS, Frazier Revitalization, Inc. (Frazier) submitted a proposal and development plan to DHADC for 4 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

WHEREAS, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Frazier and authorize the sale of the said 4 lots from DHADC to Frazier to build affordable houses; **NOW, THEREFORE;**

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

May 12, 2010

Section 1. That the development plan shown on Exhibit "B" submitted by Frazier and the sale of 4 lots shown on "Exhibit A" from DHADC to Frazier is approved.

Section 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

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.

DISTRIBUTION:

Housing/Community Services Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN

EXHIBIT "A"

LAND BANK PROPERTY				
PARCEL NUMBER	STREET ADDRESS LEGAL DESCRIPTION	QUALIFIED PURCHASER	NUMBER OF HOMEOWNER UNITS	SALE AMOUNT
1	4007 Carpenter Lot 2, Parish Subdivision Block B/2385	Frazier Revitalization, Inc.	1	\$4,010.72
2	4229 Carpenter Lot 8, Bertrand Place Addition Block 4/2386	Frazier Revitalization, Inc.	1	\$4,010.72
3	4233 Carpenter Lot 9, Bertrand Place Block 4/2386	Frazier Revitalization, Inc.	1	\$4,010.71
4	3919 Marshall Lot 20, Sunnyside Addition Block 5/1838	Frazier Revitalization, Inc.	1	\$4,135.00
TOTAL				\$16,167.15

EXHIBIT B

SECTION II: DEVELOPMENT PLAN

A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

(1) Number of lots requested in this proposal. 4

(2) Land Bank name for this parcel of lots. Fair Park / Frazier

(3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property").

1. 4007 Carpenter Ave, Parish, Blk B/2385 Lot 2, 2 4229 Carpenter Ave, Bertrand Place, Blk 4/2386 Lot 8, 3. 4233 Carpenter Ave - Bertrand Place, Blk 4/2386 Lot 9, 4. 3919 Marshall St. - Sunnyside Blk 5/1838 Lot 20

B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

Single Family Home (to be sold to low income households at 60% or less of AMFI):

Number of homes to be built on lots 2
Square Footage of each home 1200-1500
Number of Bedrooms/Baths in each home 3BR / 2BA
Number of Garages 2 Number of Carports Detached Attached 2
Type of Exterior Veneer Brick Which sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$100,000 - 125,000

Single Family Home (to be sold to low income households at 80% or less of AMFI):

Number of homes to be built on lots 2
Square Footage of each home 1200-1500
Number of Bedrooms/Baths in each home 3BR / 2BA
Number of Garages 2 Number of Carports Detached Attached 2
Type of Exterior Veneer Brick Which sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$100,000 - 125,000

Single Family Home (to be sold to low income households between 81% and 115% of AMFI):

Number of homes to be built on lots
Square Footage of each home
Number of Bedrooms/Baths in each home /
Number of Garages Number of Carports Detached Attached
Type of Exterior Veneer Which sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer

Attach extra sheet(s) breaking out above information for each different model of home.

PROVIDE FLOOR PLANS AND ELEVATIONS.

C. CONSTRUCTION TIMETABLE

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 120 days
Completion of Construction 210 days
Sale of first affordable housing unit to low income households 1 year days
Sale of last affordable unit to low income households 2 years days

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 12, 2010
COUNCIL DISTRICT(S): 3
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 44J N

SUBJECT

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by Builders of Hope Community Development Corporation for the construction of affordable houses; **(2)** the sale of 7 vacant lots from Dallas Housing Acquisition and Development Corporation to Builders of Hope Community Development Corporation; and **(3)** execution of a release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment, and post-judgment non-tax liens, if any (list attached) - Financing: No cost consideration to the City

BACKGROUND

On February 4, 2008, the Housing Committee received a briefing regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program. The areas targeted for acquisition to achieve the desired goals under the program were identified.

Builders of Hope Community Development Corporation (Builders of Hope CDC), a City Certified Housing Development Organization, has submitted a proposal and development plan to Dallas Housing Acquisition and Development Corporation (DHADC or Land Bank) for 7 lots shown on the attached list. The DHADC Board has approved the development plan and sale, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by Builders of Hope CDC to the City's Land Bank, the sale of those lots from DHADC to Builders of Hope CDC and the release of non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and post-judgment non-tax liens, if any.

BACKGROUND (continued)

The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to Builders of Hope CDC will contain a reverter that returns the property to DHADC if a construction permit is not applied for by Builders of Hope CDC and construction financing is not closed within three years of conveyance. Builders of Hope CDC will build affordable houses on the lots. The approximate square footage and sales prices of the houses will be from 1,100 to 1,500 square feet and from \$90,000 to \$120,000. The lots will be deed restricted for sale to a low income family and will require at least 25 percent of the developed homes to be sold to households with gross household incomes not greater than 60 percent of the Area Median Family Income (AMFI) as determined annually by HUD. A maximum of 30 percent of the developed homes may be sold to households with gross incomes from 81 percent to 115 percent of the AMFI as determined annually by HUD. If 30% of the homes are sold to buyers at 81 percent to 115 per cent of the AMFI, the remaining homes will be sold to buyers below 81 per cent of the AMFI and in compliance with the minimum 25 per cent requirement to sell to buyers below 60 per cent of the AMFI. DHADC will receive \$33,318.36 for the sales price, as calculated from the 09-10 Land Bank Plan approved by City Council.

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of affordable housing developments.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the City Council authorized a contract with DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-1726.

On October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930.

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

On August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474.

On August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program by Resolution No. 05-2501.

On January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162.

On October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785.

On December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403.

On August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385.

On October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998.

On August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257.

On October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785.

On April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan to allow rental housing units on Land Bank lots and/or rental housing units above retail development on Land Bank lots by Resolution No. 09-0981.

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

On September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

On October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557

FISCAL INFORMATION

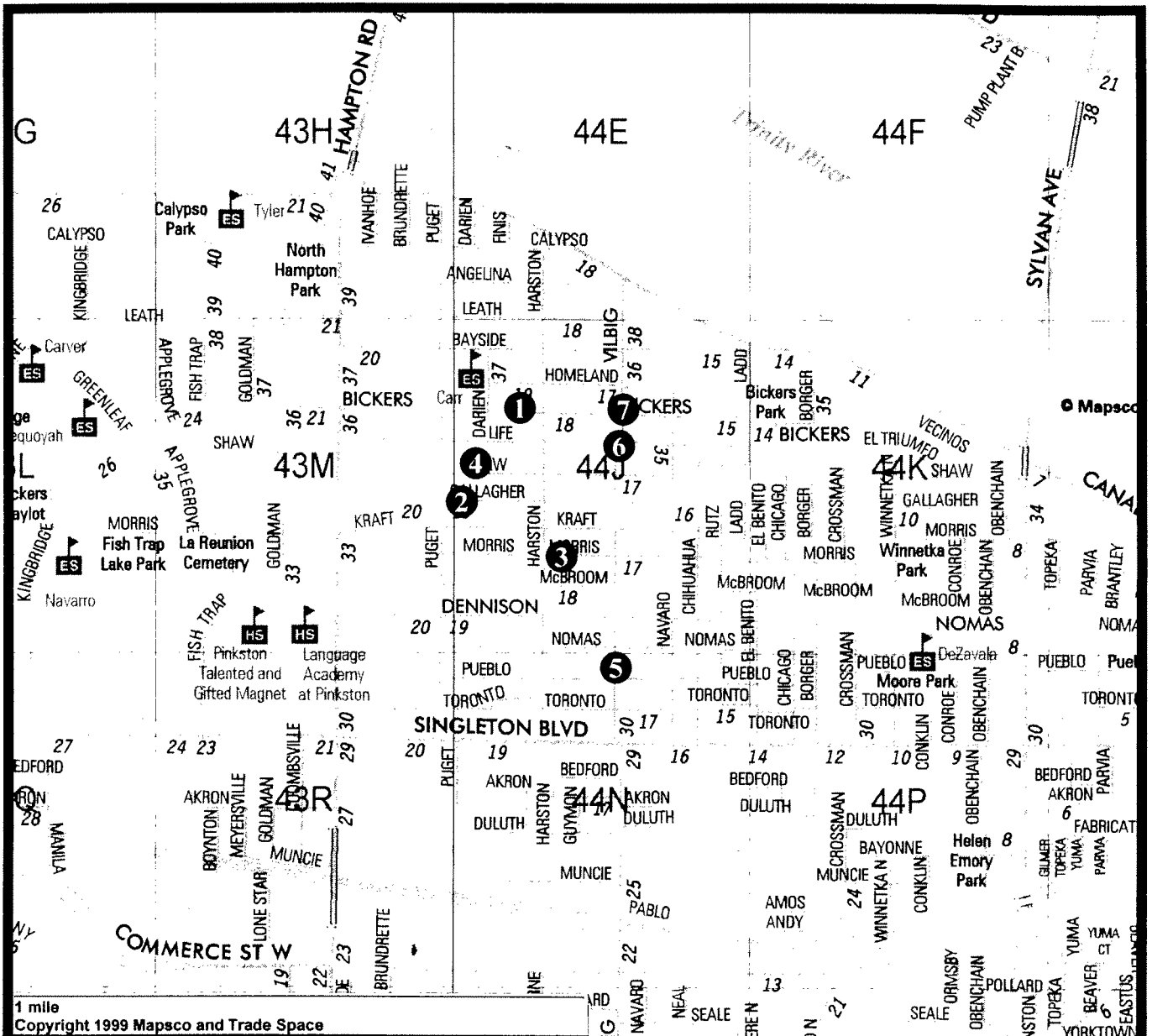
No cost consideration to the City.

MAP

Attached

**LAND BANK (DHADC) SALE OF LOTS
TO BUILDERS OF HOPE COMMUNITY DEVELOPMENT CORPORATION**

PROPERTY ADDRESS	MAPSCO	COUNCIL DISTRICT
1. 1906 Bickers	44J	3
2. 1961 Gallagher	44J	3
3. 1847 Morris	44J	3
4. 1943 Shaw	44J	3
5. 3203 Vilbig	44N	3
6. 3540 Vilbig	44J	3
7. 3614 Vilbig	44J	3



PROPERTY ADDRESS

MAPSCO

COUNCIL DISTRICT

- 1. 1906 Bickers
- 2. 1961 Gallagher
- 3. 1847 Morris
- 4. 1943 Shaw
- 5. 3203 Vilbig
- 6. 3540 Vilbig
- 7. 3614 Vilbig

- 44J
- 44J
- 44J
- 44J
- 44N
- 44J
- 44J

- 3
- 3
- 3
- 3
- 3
- 3
- 3

May 12, 2010

WHEREAS, on January 28, 2004, the City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

WHEREAS, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004 by Resolution No. 04-1726; and

WHEREAS, on October 13, 2004, the City Council approved the City of Dallas FY 2004-05 Urban Land Bank Demonstration Program Plan and authorized an amendment to the DHADC Contract to provide additional operating and acquisition funds for FY 2004-05 by Resolution No. 04-2930; and

WHEREAS, on August 24, 2005, the City Council authorized an amendment to the contract with DHADC to extend the term to November 1, 2006 and to allow the City to refer up to 625 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 26, 2006 by Resolution No. 05-2474; and

WHEREAS, on August 24, 2005, the City Council approved the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan by Resolution No. 05-2501; and

WHEREAS, on January 11, 2006, the City Council authorized an amendment to the City of Dallas FY 2005-06 Urban Land Bank Demonstration Program Plan to increase the list of properties in the plan that may become eligible for sale to the Land Bank by Resolution No. 06-0162; and

WHEREAS, on October 11, 2006, the City Council approved the City of Dallas FY 2006-07 Urban Land Bank Demonstration Program Plan by Resolution No. 06-2785; and

WHEREAS, on December 13, 2006, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2007 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2007 by Resolution No. 06-3403; and

May 12, 2010

WHEREAS, on August 22, 2007, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2008 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2008 by Resolution No. 07-2385; and

WHEREAS, on October 10, 2007, the City Council approved the City of Dallas FY 2007-08 Urban Land Bank Demonstration Program Plan by Resolution No. 07-2998; and

WHEREAS, on August 27, 2008, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2009 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2009 by Resolution No. 08-2257; and

WHEREAS, on October 8, 2008, the City Council approved the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan by Resolution No. 08-2785; and

WHEREAS, on April 8, 2009, the City Council approved an amendment to the City of Dallas FY 2008-09 Urban Land Bank Demonstration Program Plan to allow rental housing units on Land Bank lots and/or rental housing units above retail development on Land Bank lots by Resolution No. 09-0981; and

WHEREAS, on September 23, 2009, the City Council authorized an amendment to the contract with DHADC to extend the term to September 30, 2010 and to allow the City to refer up to 300 parcels intended for acquisition by the Land Bank for filing of a tax lawsuit by March 31, 2010 by Resolution No. 09-2313.

WHEREAS, on October 14, 2009, the City Council approved the City of Dallas FY 2009-10 Urban Land Bank Demonstration Program Plan by Resolution No. 09-2557

WHEREAS, Builders of Hope Community Development Corporation (Builders of Hope CDC) submitted a proposal and development plan to DHADC for 7 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

WHEREAS, the City Council desires to approve the development plan shown on Exhibit "B" submitted by Builders of Hope CDC and authorize the sale of the said 7 lots from DHADC to Builders of Hope CDC to build affordable houses; **NOW, THEREFORE;**

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

May 12, 2010

Section 1. That the development plan shown on Exhibit "B" submitted by Builders of Hope CDC and the sale of 7 lots shown on "Exhibit A" from DHADC to Builders of Hope CDC is approved.

Section 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a release of lien for any non-tax liens included in the foreclosure judgment, pre-judgment non-tax liens not included in the judgment and any non-tax liens that may have been filed by the City post-judgment on the lots shown on "Exhibit A".

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.

DISTRIBUTION:

Housing/Community Services Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN

EXHIBIT "A"

LAND BANK PROPERTY				
PARCEL NUMBER	STREET ADDRESS LEGAL DESCRIPTION	QUALIFIED PURCHASER	NUMBER OF HOMEOWNER UNITS	SALE AMOUNT
1	1906 Bickers Lot 8, Victory Gardens No. 2 Addition Block T/7123	Builders of Hope	1	\$4,706.57
2	1961 Gallagher Lot 8, Victory Gardens #5 Addition Block 30	Builders of Hope	1	\$4,706.57
3	1847 Morris Lot 12, Victory Gardens Addition Block 7122-D	Builders of Hope	1	\$4,706.57
4	1943 Shaw East 40 Feet of Lot 15 & West 10 Feet of Lot 16, Victory Gardens 5 Addition Block 29/7121	Builders of Hope	1	\$4,706.57
5	3203 Vilbig South 1/2 of Lots 1 and 2, Victory Gardens Addition Block H/7122	Builders of Hope	1	\$4,706.57
6	3540 Vilbig Lot 7, L.H. Bomars Subdivision Block 5/7119	Builders of Hope	1	\$4,926.00
7	3614 Vilbig Part of Lots 1,2 & 3, L.H. Bomars Subdivision Block 5/7119	Builders of Hope	1	\$4,859.51
TOTAL				\$33,318.36

EXHIBIT B

SECTION II: DEVELOPMENT PLAN

A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

- (1) Number of lots requested in this proposal. 7
- (2) Land Bank name for this parcel of lots. West Dallas
- (3) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property"). See Attachment

B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

At least 25% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes not greater than 60% of AMFI. No more than 30% of the Land Bank properties sold during any given fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes between 81% and 115% of AMFI. (At least 70% of the Land Bank properties sold during any fiscal year to be developed shall be deed restricted for sale to households with gross annual incomes at 80% AMFI or less.)

Single Family Home (to be sold to low income households at 60% or less of AMFI):

Number of homes to be built on lots 2
Square Footage of each home 1100-1300
Number of Bedrooms/Baths in each home 3 / 2
Number of Garages 0-1 Number of Carports Detached Attached 0-1
Type of Exterior Veneer Brick Which sides Front & Sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$90,000-\$104,000

Single Family Home (to be sold to low income households at 80% or less of AMFI):

Number of homes to be built on lots 3
Square Footage of each home 1200-1500
Number of Bedrooms/Baths in each home 3-4 / 2
Number of Garages 1 Number of Carports Detached Attached
Type of Exterior Veneer Brick Which sides Front & Sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$96,000-\$120,000

Single Family Home (to be sold to low income households between 81% and 115% of AMFI):

Number of homes to be built on lots 2
Square Footage of each home 1200-1500
Number of Bedrooms/Baths in each home 3-4 / 2-2 1/2
Number of Garages 1 Number of Carports Detached Attached
Type of Exterior Veneer Brick Which sides Front & Sides
Your Sales Price ranges without Subsidies to Qualified Low Income Buyer \$96,000-\$120,000

Attach extra sheet(s) breaking out above information for each different model of home.

PROVIDE FLOOR PLANS AND ELEVATIONS.

C. CONSTRUCTION TIMETABLE

State the number of days it will take you to complete construction and sale of improved Property from the date of obtaining the executed deed from DHADC. Attach a schedule, if you desire. The deed conveying property sold by DHADC will include a right of reverter so that if the Entity does not apply for a construction permit and close on any construction financing within a two year period following the date of conveyance of the property from the DHADC to the Entity, the property will revert to the DHADC for subsequent resale.

Commencement of Construction 1,095 days
Completion of Construction 1,215 days
Sale of first affordable housing unit to low income households 1,305 days
Sale of last affordable unit to low income households 1,800 days

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 12, 2010
COUNCIL DISTRICT(S): 5
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 65G

SUBJECT

Authorize an amendment to Resolution No. 09-1102, previously approved on April 22, 2009, to increase the loan amount by \$700,000 on an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for the acquisition of improved and unimproved properties, located along the Lancaster Corridor Neighborhood Investment Program Area, including associated closing costs, relocation, environmental remediation, demolition, and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the area - Not to exceed \$700,000, from \$2,000,000 to \$2,700,000 - Financing: 2006 Bond Funds

BACKGROUND

The Lancaster Corridor in the Lancaster Road community of Dallas is a vital main street for South Central Dallas and is a City Council priority for development and redevelopment options that will improve neighborhoods all along the corridor. The immediate development will begin at the Urban league site and will include the expansion of the Dallas Urban League to a two level facility and add a 50,000 sq. ft. skills training center with structured parking and surface parking. Public assistance is required for the development of this site and other properties in the Lancaster Corridor Neighborhood Investment Program Area.

The City Council is asked to consider adding \$700,000 to an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC to assist with acquisition costs, associated closing costs, relocation, environmental remediation, demolition, and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment. Sapphire Road Development, LLC has shown progress in acquiring properties and preparing to develop those properties but additional funds are needed to complete acquisitions and to begin the predevelopment stages.

BACKGROUND (continued)

The loan is forgiven provided that demolition occurs within one year from the date of the initial advance, development within 24 months from the date of the initial advance, and construction completion with Certificate of Occupancy not later than five years from the date of the initial advance under the Loan Agreement. If the Developer/Borrower fails to comply with these requirements, the City has the option to require conveyance of lien free, fee simple title to the City of Dallas.

Sapphire Road Development, LLC has been in real estate development for over 15 years in Dallas and has built several hundred homes. Yigal Lelah, company president, has previously worked with the City of Dallas on the Pleasant Oaks affordable housing community. Sapphire has made good progress with its work on this contract and needs these additional funds to further its first phase efforts.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 20, 2009, a briefing was presented to the Economic Development Committee regarding authorization of the proposed Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC.

On April 20, 2009, a briefing was presented to the Housing Committee regarding authorization of the proposed Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC.

FISCAL INFORMATION

2006 Bond Funds - \$700,000

OWNERS

Sapphire Road Development, LLC
Yigal Lelah, President

DEVELOPER

Sapphire Road Development, LLC
Yigal Lelah, President

MAP

Attached

May 12, 2010

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, the City seeks to stimulate redevelopment of certain areas in the southern sector, including the Lancaster Corridor Neighborhood Investment Program Area, to foster the public purpose of economic development; and

WHEREAS, on August 9, 2006, the City Council authorized an ordinance ordering a bond election to be held in the City of Dallas on November 7, 2006 for the purpose of submitting propositions for the issuance of general obligation bonds for funding permanent public improvements; and

WHEREAS, On November 7, 2006, the voters of Dallas approved a \$1.35 billion General Obligation Bond Program of which \$45,495,000 was set aside for the purpose of providing funds for promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development; and

WHEREAS, on December 12, 2007, the City Council approved an amendment to the Public/Private Partnership Program to include a special category for an Economic Development General Obligation Bond Program for Southern Dallas; and

WHEREAS, On April 22, 2009, the City Council authorized a Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for development and related cost including the acquisition of improved and unimproved properties along the Lancaster Corridor Neighborhood Investment Program (NIP) area, including associated closing costs, relocation, environmental remediation, or demolition costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment in accordance with the Economic Development Master Plan for the area; and

WHEREAS, Sapphire Road Development, LLC proposes to continue to work with the City of Dallas for the Lancaster Corridor Neighborhood Investment Program Area project; **NOW, THEREFORE**,

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

May 12, 2010

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to increase the loan amount by \$700,000 on an existing Chapter 380 economic development forgivable loan with Sapphire Road Development, LLC for the acquisition of improved and unimproved properties, located along the Lancaster Corridor Neighborhood Investment Program Area, including associated closing costs, relocation, environmental remediation, demolition and/or predevelopment costs for the purpose of constructing residential, retail, commercial, or mixed-use redevelopment as part of the Economic Development Plan for the area

Section 2. That the other terms of the loan documents shall include:

- a. Borrowers notes payable to the City of Dallas will have a maturity date of 5 years; provided however, if the Borrower fails to commence redevelopment of the acquired properties within 2 years from the date of initial advance under the Loan Agreements, commence demolition if necessary within 1 year or complete construction evidenced by a certificate of occupancy having been obtained from the City of Dallas within 5 years from the date of initial advance under the Loan Agreements, the entire amount of each loan becomes due and payable.
- b. If Borrower fails to timely comply with requirements in Section 2 (a) hereof, the City of Dallas has the option to require Borrower to convey to the City of Dallas fee simple title to the properties acquired with funds under the loan from the City of Dallas, free of any liens or encumbrances not acceptable to the City.
- c. Borrower shall execute a first lien deed of trust on each property acquired for which acquisition, demolition, and closing costs have been expended from loan proceeds.
- d. For Borrower to receive approval from the City to purchase a property or expend funds for other allowable costs, borrower must provide a property survey, title commitment, environmental assessment, and appraisal performed by an independent fee appraiser, acceptable to the City in the City's sole discretion. The City retains the right to conduct a review of the appraisal of the property for which approval is sought, and in no event will the City loan in excess of the appraised value of the property as determined by the City.
- e. No approval by the City of the expenditure of any loan funds shall bind or obligate the City to approve any zoning or re-plat change that Borrower may request for the properties.

May 12, 2010

- f. Borrower shall obtain approval from the City for permitted uses of the properties. "Permitted uses" includes those uses that are permitted under the Dallas Development Code on the property, but in no event may they include any use that requires a sexually oriented business license under Chapter 41A of the Dallas City Code, or a liquor store, a pawn shop, a body piercing studio, or a tattoo studio as those terms are defined by the Dallas Development Code.
- g. As a certificate of occupancy has been obtained for a constructed structure or project on a property, Borrower will be released from the indebtedness on the note for the corresponding loan proceeds advanced.
- h. Deed Restrictions to prevent property sale or transfer of ownership without consent and approval of the City.
- i. Intermediate benchmarks for progress acceptable to the City of Dallas may be established in the loan documents.

Section 3. That the loan(s) (secured by liens on the real property) will provide for 0% annual interest and repayment in five (5) years from the date of the initial advance under each Loan Agreement, each portion forgivable if development of sites purchased is commenced within 24 months of the date of the initial advance under each Loan Agreement and demolition is completed within one (1) year of the initial advance under each Loan Agreement and all development is complete with certificates of occupancy issued within 5 years from the date of the initial advance under the Loan Agreement unless the time is extended by the Director of the City of Dallas Housing/Community Services Department.

Section 4. That the City Controller is hereby authorized to encumber and disburse funds from Fund 9T52, Department HOU, Unit T807, Object 3562, Activity HOIN, Encumbrance No. HOUT807G410, Vendor No. VS0000054745, in an amount not to exceed \$700,000.

Section 5. That the City Controller is hereby authorized to set up receivable balance sheet account (033F) and an allowance for uncollectible debt (022D) in fund 9T52 for the amount of the loan.

Section 6. That nothing in this resolution shall be construed as a binding contract or agreement upon the City and there will be no liability or obligation on the City until final contract documents are approved and executed.

May 12, 2010

Section 7. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

DISTRIBUTION:

Housing/Community Services Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN