

- 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
Judge C. Victor Lander, Administrative Judge, Municipal Court
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Helena Stevens-Thompson, Assistant to the City Manager

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.

Housing Committee

Meeting Record May 3, 2010

The Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Housing Department, Staff Coordinator at 214-670-3906.

Meeting Date: May 3, 2010

Meeting Start time: 2: 04 p.m.

<p><u>Committee Members Present:</u> Steve Salazar (Chair) Carolyn R. Davis (Vice-Chair) Tennell Atkins Dwaine Caraway Ann Margolin Pauline Medrano</p>	<p><u>Staff Present:</u> A.C. Gonzalez-Asst. City Manager Jerry Killingsworth-Director/HOU Charles Brideau-Asst. Director/HOU Les Allen-Asst. Director/HOU Bernadette Mitchell-Asst. Director/HOU Patrick Inyabri-HOU Gwen Satterthwaite-CAO Michael Bostic-CAO Sue Hounsel-ECO Tamara Leak-ECO Brittany Burrell-CMO Carolyn Holland-HOU Rick Robin-HOU Rhonn Ramirez-CSO Cassandra Luster-HOU Esmeralda De La Cruz-HOU Cynthia R. Ellickson-HOU Doris Edmon-HOU Alida Allen-HOU</p>
<p><u>Other Councilmember's Present:</u></p>	<p>G. Carlton- East Dallas Community Org Rosa L. Lopez-Vecinos Unido, Inc. Kristen Schulz- Dallas Area Habitat for Humanity Janet Hamilton- CNA Mike Bell-CNA</p>
<p><u>Committee Members Absent:</u></p>	<p>Zad Roumaya-CNA Theresa Canales-Builders of Hope, CDC Monique Allen- Urban Progress Community Development Diane Ragsdale-Inner-City Community Development Corporation</p>

AGENDA:

Housing Committee Meeting Called to Order by CM Steve Salazar

1. Approval of April 19, 2010 Minutes of the Housing Committee

Presenter(s): Council Member Carolyn R. Davis

Action Taken/Committee Recommendation(s):

Motion made by: CM Tennell Atkins	Motion seconded by: CM Steve Salazar
Item passed unanimously: <input checked="" type="checkbox"/>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

2. **Community Development Block Grant Section 108 Guaranteed Loan Applicant for the Lancaster Urban Village Development**

Presenter(s): A.C. Gonzalez, Asst. City Manager/Jerry Killingsworth, Director/Karl Zavitkovsky, Director of ECO/Paris Rutherford, Catalyst Urban Development/Sherman Roberts, City Wide Community Development Corporation

Information Only: _____

Action Taken/Committee Recommendation(s) CM Davis requests a briefing regarding the time line of the different projects being developed. Recommendation to move forward to full Council on May 12, 2010 for call of Public Hearing and June 23, 2010 to full Council for Public Hearing and Final Approval.

Motion made by: CM Steve Salazar	Motion seconded by: CM Tennell Atkins
Item passed unanimously: <u>X</u>	Item passed on a divide: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

3. **Community Housing Development Organizations (CHDOs) Update**

Presenter(s): Jerry Killingsworth, Director/Bernadette Mitchell, Assistant Director/Diane Ragsdale, Inter-City Community Development Corporation /Sherman Roberts, City Wide Community Development Corporation

Information Only: X

Action Taken/Committee Recommendation(s)

Motion made by: _____	Motion seconded by: _____
Item passed unanimously: _____	Item passed on a divide: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary):

4. **Upcoming Agenda Items**

- a. Land Bank Sale – Dallas Neighborhood Alliance for Habitat, Inc (3 lots)
- b. Land Bank Sale – Frazier Revitalization, Inc. (4 lots)
- c. Land Bank Sale – Builders of Hope CDC (7 lots)
- d. Amendment to Increase Sapphire Road Development Contract

Information Only: _____

Action Taken/Committee Recommendation(s) Motion was made to move forward to full Council.

Motion made by: CM Steve Salazar	Motion seconded by: CM Tennell Atkins
Item passed unanimously: <u>X</u>	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Follow-up (if necessary)

Meeting Adjourned by CM Steve Salazar

Motion made by:	Motion seconded by:
Item passed unanimously: _____	Item passed on a divided vote: _____
Item failed unanimously: _____	Item failed on a divided vote: _____

Meeting Adjourned: _____ **3:13** _____ **P.M.**

Approved By: _____

DRAFT

Memorandum



CITY OF DALLAS

DATE May 14, 2010

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

SUBJECT Potential Changes to Community Development Block Grants Nonprofit Public Improvement Policy

On Monday, May 17, 2010, you will be briefed on Potential Changes to Community Development Block Grants Nonprofit Public Improvement Policy. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in cursive script that reads "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
C. Victor Lander, Judiciary
Jerry Killingsworth, Housing/Community Services Director
Jack Ireland, Executive General Manager
Helena Stevens-Thompson, Assistant to the City Manager



Potential Changes to Community Development Block Grants Nonprofit Public Improvement Policy Housing Sub-Committee Recommendations



Housing Committee
May 17, 2010



Purpose

- Provide an update on recommendations proposed by the Housing Subcommittee on the City's current Community Development Block Grant (CDBG) nonprofit public improvement policy
- Review next steps



Background

- Prior to 2002, nonprofit organizations received CDBG funds for public improvements (“bricks and mortar”)
- Applications were submitted to the Community Development Commission (CDC) during annual CDBG budget development process
- CDC reviewed applications and made recommendations for projects and award amounts for City Council consideration



City Council Policy

- In June 2002, City Council adopted policy to discontinue the use of CDBG funds for public improvement projects at nonprofit organizations



Current Use

- CDBG funds are currently used to address capital needs at eligible City-owned facilities such as:
 - Community centers
 - Facilities that provide services to homeless individuals and families
 - Libraries
 - Parks and recreation centers
 - Infrastructure improvements



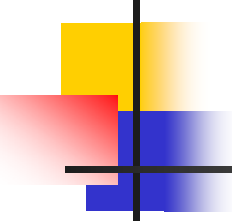
CDBG Funds Overview

- Per CDBG regulations, funds may be used to acquire/improve public facilities
- Eligible costs include:
 - Acquisition of land and/or buildings
 - Construction/renovation of facilities (“bricks and mortar”)
 - Rehabilitation or installation of public facilities and improvements



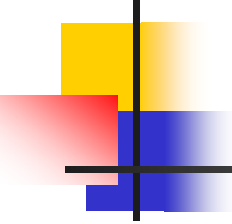
CDBG Funds Overview

- The City is responsible for ensuring compliance with Federal regulations
 - Projects must be completed successfully
 - Compliance must be maintained throughout the required service period after project has been completed
 - For nonprofit organizations, regulations require that the organization provide a public service to the community for at least 5 years



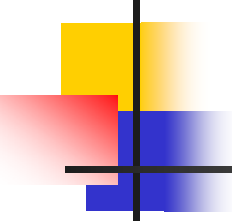
Housing Sub-Committee

- In November 2009, the Housing Sub-Committee was formed to review the City's current CDBG policy regarding funds to nonprofit organizations for public improvements and make recommendations
- Sub-Committee held meetings from November 2009 through January 2010



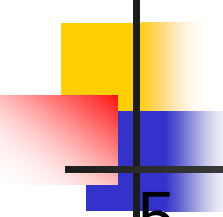
Housing Sub-Committee Recommendations

1. Rescind the City's current policy that discontinues the use of CDBG funds for public improvement activities at nonprofit organizations
2. Reinststate policy to allow the use of CDBG funds for public improvement activities at nonprofit organizations beginning in **FY 2011-12**



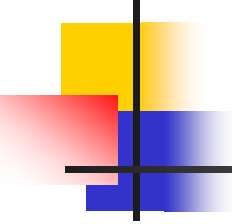
Housing Sub-Committee Recommendations

3. That no more than **1** project will be awarded annually
4. That the total amount of CDBG funds awarded for public improvement projects to nonprofit organizations shall not exceed **a total of \$100,000 in any one year regardless of the number of grants OR xx% of the total CDBG budget for a fiscal budget year**



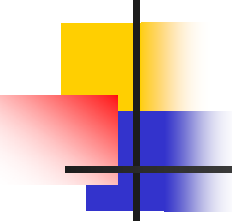
Housing Sub-Committee Recommendations

5. Establish additional criteria and requirements to be incorporated into the funding consideration process
 - a. Nonprofit organizations must have been incorporated, established and have experience providing eligible CDBG public service activities of the type that the City will require for particular project for a minimum of **5 or 8** years
 - b. CDBG funds cannot exceed **20% or 30%** of the total cost of the project (the nonprofit organization must provide the remaining total cost of the project from banks, lenders or other sources)



Housing Sub-Committee Recommendations

- c. CDBG funds allocated to any nonprofit organization's public improvement project cannot exceed \$100,000 annually for each award
- d. Once the City funds a public improvement project with a particular nonprofit organization using CDBG funds, the organization may not be awarded additional CDBG funds for public improvement projects for the next xx fiscal years following the end of the fiscal year in which the organization received an award of CDBG funds for a public improvement project. "Fiscal year" means the City of Dallas' fiscal year, October 1st through September 30th



Housing Sub-Committee Recommendations

- e. Any liens on real property received by the City to secure performance of any CDBG funded public improvement project must be a **first lien** position, superior to all other liens (other than ad valorem tax liens for the current years only) as to the subject real property



Next Steps

- Finalize Housing Committee recommendations
- Forward recommendations to City Council for consideration and call the public hearing
- 30-day public review and comment period
- Public hearing before City Council and final adoption of recommendations



Attachment A Draft Resolution

Attachment A

DRAFT

Xxxxxxxx XX, 2010

WHEREAS, on June 12, 2002, the City Council approved Council Resolution No. 02-1778 to discontinue the use of the Community Development Block Grant (CDBG) funds to fund public improvement projects to non-profit organizations beginning in FY 2003-04; and

WHEREAS, on May 24 2006, by Resolution No. 06-1521, the City Council authorized that Section 3 of Resolution No. 02-1778, passed by the City Council on June 12, 2002, that allows for consideration of a Community Development Block Grant economic development project each year in CDBG eligible neighborhoods, be deleted from Resolution No. 02-1778; provided, however, that the City Council may consider a CDBG economic development project each year in CDBG eligible neighborhoods with respect to the proposed FY 2006-07 Consolidated Plan Budget; and

WHEREAS, the City Council desires to rescind Resolution No. 02-1778 passed on June 12, 2002 in its entirety that authorized discontinuing the use of the Community Development Block Grant funds for public improvement activities at nonprofit organizations, together with any other provision established by City Council Resolution No. 06-1521; **Now Therefore**,

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

Section 1. That City Council Resolution No. 02-1778 passed June 12, 2002, as modified by Resolution No. 06-1521 passed on May 24, 2006, together with any other provision established by Resolution No. 06-1521 are rescinded.

Section 2. That by this resolution, the City of Dallas will reinstate its policy to fund public improvement projects to nonprofit organizations using Community Development Block Grant (CDBG) funds beginning in **FY 2011-12.** As a condition to CDBG funding, the nonprofit organization shall provide eligible CDBG public services and meet CDBG national objectives for a minimum five (5) year period. (suggested by CM Margolin)

Section 3. That no more than **1** project will be awarded annually to fund public improvement projects to nonprofit organizations in the CDBG budget. (suggested by CM Margolin)

Section 4. That the total amount of CDBG funds awarded for public improvement projects to nonprofit organizations shall not exceed **a total of \$100,000 in any one year regardless of the number of grants OR xx% of the total CDBG budget for a fiscal budget year.** (\$100,000 suggested by CM Margolin; % suggested by Housing Subcommittee)

DRAFT

XXXXXXXX XX, 2010

Section 5. That the following criteria and requirements be incorporated into the annual funding consideration process by the City to evaluate the public improvement projects and the viability of each nonprofit organization to receive CDBG funding for public improvement projects:

- a. Non-profit organizations must have been incorporated, established and have experience providing eligible CDBG public service activities of the type that the City will require for a particular project for a minimum of **5 OR 8** years. *(5 years suggested by CM Davis; 8 years suggested by CM Margolin)*
- b. CDBG funds cannot exceed **20% OR 30%** of the total cost of the project (the nonprofit organization must provide the remaining total cost of the project from banks, lenders or other sources). *(30% suggested by CM Davis; 20% suggested by CM Margolin)*
- c. CDBG funds allocated to any nonprofit organization's public improvement project cannot exceed **\$100,000** annually for each award. *(suggested by CM Margolin)*
- d. Once the City funds a public improvement project with a particular nonprofit organization using CDBG funds, the organization may not be awarded additional CDBG funds for public improvement projects for the next **XX** fiscal years following the end of the fiscal year in which the organization received an award of CDBG funds for a public improvement project. "Fiscal year" means the City of Dallas' fiscal year, October 1st through September 30th.
- e. Any liens on real property received by the City to secure performance of any CDBG funded public improvement project must be a **first lien position**, superior to all other liens (other than ad valorem tax liens for the current years only) as to the subject real property. *(suggested by CM Davis)*

Section 6. 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:

City Attorney's Office
Housing/Community Services Department
Office of Economic Development
Office of Financial Services/Grants Division, 4FS

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 26, 2010
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 46W

SUBJECT

Authorize **(1)** a public hearing to be held on June 23, 2010 to receive comments on the proposed private sale by quitclaim deed of one unimproved property acquired by the taxing authorities from the Sheriff's Sale to Forest Heights Neighborhood Development Corporation, a qualified non-profit organization; and **(2)** at the close of the public hearing, consideration of approval of the sale of these properties (list attached) - Financing: No cost consideration to the City

BACKGROUND

This item will begin the acquisition process for Forest Heights Neighborhood Development Corporation to purchase one (1) unimproved property for construction of three (3) duplexes containing approximately 1,300 square feet each for lease by low to moderate income families at the proposed rental price of \$410 - \$500 each. The anticipated commencement date of construction is May 2010. The calling of a public hearing is part of the state requirements under House Bill 110.

The 1997 Texas State Legislature enacted House Bill 110 which amended Chapter 34 of the Texas Property Tax Code. Subsequently, Tax Code Section 34.015 was redesignated as Local Government Code Section 253.010. The legislation allows a municipality to adopt an ordinance which provides for land acquired by the municipality following the foreclosure of a tax lien in favor of or seizure by the municipality, to be sold to non-profit organizations for the development of affordable housing for low income individuals and families. The City Council approved Ordinance No. 23713, implementing House Bill 110, on November 11, 1998. Subsequently, the Texas Legislature moved these provisions by redesignating Tax Code Section 34.015 as Local Government Code Section 253.010. On December 8, 2003, the City Council approved Ordinance No. 25443 to reference this applicable state law.

BACKGROUND (continued)

The ordinance requires that housing be provided to households with incomes at or below 80% of Area Median Family Income. The ordinance defines non-profit organization as either: (1) a non-profit corporation as provided by the State law, or (2) a joint venture or partnership between a nonprofit corporation and a non-profit corporation or other non-profit legal entity composed of residents or property owners in the community or neighborhood in which the land subject to a purchase proposal under the ordinance is located.

Housing units require a 5-year deed restriction for single-family properties and a 15-year deed restriction for multi-family properties developed under this program. Rental property to be developed that contains more than 25 housing units will also be deed-restricted to require that social services be provided to residents based on the needs of the residents.

Non-profit organizations are allowed to purchase the property for a fixed sum of \$1,000 for up to 7,500 square feet of land purchased under the single proposal plus \$0.133 for each additional square foot of land purchased under the proposal. This revenue is paid first for court costs and maintenance costs and then any excess to taxing units in proportion to their share of taxes on the property. An additional sum will be paid to the City for costs of recording legal documents associated with the transaction. The purchase of properties is subject to any redemption rights of the owners. Approval by the City Council and the other taxing units will be required for all land transactions under this ordinance. The affordable housing unit(s) must be constructed within 3 years from the date on which the City conveys the quitclaim deed, unless City Council extends the time line.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On November 13, 1996, the City Council authorized the development of procedures to allow for the private sale of tax foreclosed or seized properties to qualified non-profit organizations by Resolution No. 96-3691.

On May 14, 1997, the City Council authorized implementation of the procedures for the Land Assembly Program by Resolution No. 97-1504.

On November 11, 1998, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for an alternate manner of sale for tax foreclosed property to non-profit housing corporations and non-profit organizations by Ordinance No. 23713.

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

On September 22, 1999, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to authorize and provide requirements, qualifications, restrictions, and procedures for an alternate manner of sale of seized real property to nonprofit organizations for the development of affordable housing by Ordinance No. 24046.

On May 9, 2001, the City Council authorized implementation of the procedures contained in the Land Transfer Program Statement and consolidate all land assembly processes under the Land Transfer Program Statement to allow for the private sale of City surplus, tax foreclosed and seized property to qualified, non-profit organizations for the public purpose of creating or preserving affordable housing by Resolution No. 01-1411.

On June 27, 2001, the City Council authorized implementation of policies and procedures contained in the adopted Housing Policy and to allow for modifications to Housing Program Statements under the adopted Housing Policy by Resolution No. 01-2049.

On December 8, 2003, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for changes in and extension of the development periods under H.B. 110 proposals and update references to applicable state law by Ordinance No. 25443.

On December 8, 2003, the City Council authorized an amendment to the program statement of the Land Transfer Program Policy to reflect the December 8, 2003 Ordinance change and changes to Section V. of the program statement by Resolution No. 03-3355.

On November 10, 2004, the City Council authorized an amendment to the program statement of the House Bill 110 Program to prohibit the placement of industrialized housing on properties sold by the City by Resolution No. 04-3193.

FISCAL INFORMATION

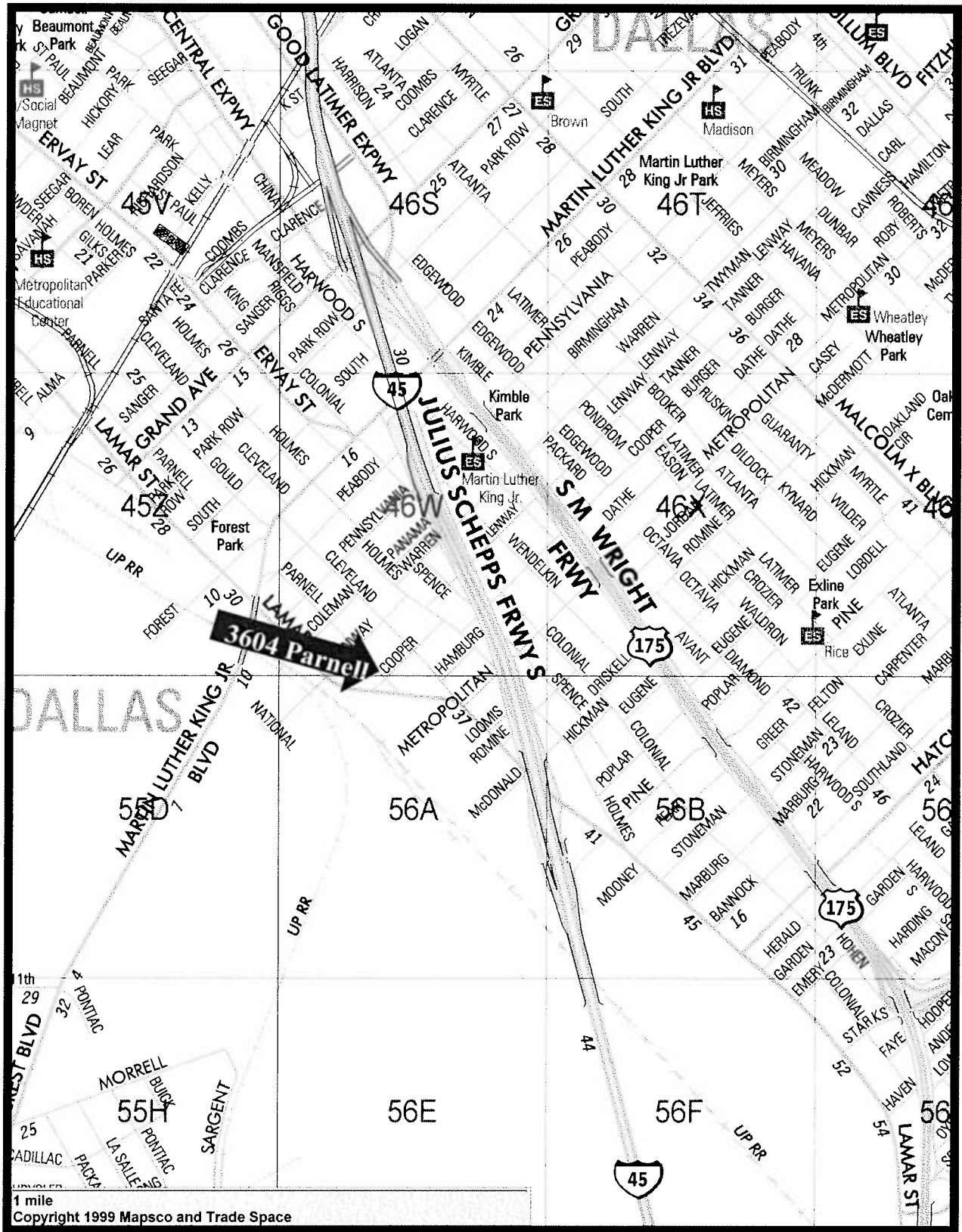
No cost consideration to the City

MAP

Attached

Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>Mapsc0</u>	<u>DCAD Value</u>	<u>Sale Amount</u>	<u>Vac/ Imp Zoning</u>	<u>Council District</u>
1.	3604 Parnell	Forest Heights Neighborhood Development Corporation	46W	\$25,130	\$2,230.25	V PD-595	7



MAPSCO 46W

May 26, 2010

WHEREAS, on November 13, 1996, The City Council authorized the development of procedures to allow for the private sale of tax foreclosed or seized properties to qualified non-profit organizations by Resolution No. 96-3691; and

WHEREAS, on May 14, 1997, the City Council authorized implementation of the procedures for the Land Assembly Program by Resolution No. 97-1504; and

WHEREAS, on November 11, 1998, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for an alternate manner of sale for tax foreclosed property to non-profit housing corporations and non-profit organizations by Ordinance No. 23713; and

WHEREAS, on September 22, 1999, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to authorize and provide requirements, qualifications, restrictions, and procedures for an alternate manner of sale of seized real property to nonprofit organizations for the development of affordable housing by Ordinance No. 24046; and

WHEREAS, on May 9, 2001, the City Council authorized implementation of the procedures contained in the Land Transfer Program Statement and consolidate all land assembly processes under the Land Transfer Program Statement to allow for the private sale of City surplus, tax foreclosed and seized property to qualified, non-profit organizations for the public purpose of creating or preserving affordable housing by Resolution No. 01-1411; and

WHEREAS, on June 27, 2001, the City Council authorized implementation of policies and procedures contained in the adopted Housing Policy and to allow for modifications to Housing Program Statements under the adopted Housing Policy by Resolution No. 01-2049; and

WHEREAS, on December 8, 2003, the City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to allow for changes in and extension of the development periods under H.B. 110 proposals and update references to applicable state law by Ordinance No. 25443; and

WHEREAS, on December 8, 2003, the City Council authorized an amendment of the program statement of the Land Transfer Program Policy to reflect the December 8, 2003 Ordinance change and changes to the program statement by Resolution No. 03-3355; and

WHEREAS, on November 10, 2004, the City Council authorized an amendment of the program statement of the House Bill 110 Program to prohibit the placement of industrialized housing on properties sold by the City by Resolution No. 04-3193; and

May 26, 2010

WHEREAS, on March 1, 2010, the City received one proposal from Forests Height Neighborhood Development Corporation to purchase one (1) property shown on Exhibit "A" for construction of three (3) duplexes for lease by low to moderate income families;
NOW, THEREFORE,

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

Section 1. That the public hearing shall be held at 1:00 p.m. on June 23, 2010 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 private sale by quitclaim deed of one (1) unimproved property acquired by the taxing authorities from the Sheriff's Sale to a qualified non-profit organization; and, at the close of the public hearing, consider approval of the sale of the properties to the nonprofit organization, all as shown on Exhibit "A".

Section 2. That notice of such public hearing shall be published in the newspaper of record not later than ten (10) days prior to the date of such hearing. Written notice of such hearing shall be sent to all owners of real property lying within 200 feet of the boundary of the area subject to the purchase and notice of the hearing along with a copy of this resolution shall be delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed purchase.

Section 3. 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
Office of Property Management

EXHIBIT "A"

TAX FORECLOSURE PROPERTY SALE

PARCEL NO.	Address	Mapsco	Non-Profit Organization	Sale Amount	Council District
1.	3604 Parnell	46W	Forest Heights Neighborhood Development Corporation	\$2,230.25	7

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 26, 2010
COUNCIL DISTRICT(S): 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 56C

SUBJECT

Authorize a modification to Resolution No. 09-2521, previously approved on October 14, 2009, to provide for an economic development grant rather than an economic development loan, in an amount not to exceed \$105,000 for exterior and interior building improvements to 5050 Bexar Street, a neighborhood serving retail/grocery business located within the Bexar Street Redevelopment corridor – Not to exceed \$105,000 - Financing: 2006 Bond Funds

BACKGROUND

The Bexar Street Redevelopment project is being implemented under the City's Neighborhood Investment Program (NIP) and is located within the South Dallas Ideal/Rochester Park NIP target area. The project is being implemented in two phases. Phase I (Brigham to CF Hawn freeway along Bexar Street) will be redeveloped to include a mix of residential, retail, office, and neighborhood serving uses. Within Phase I, street and streetscape improvements and eight townhome units (representing the first phase of new fee-simple homes) are complete. Master planning is underway for Phase II (CF Hawn Freeway to dead end/Trinity River Forest) with street and streetscape improvements to commence in 2010.

The subject site is owned by TC Grocery, Inc. and is located at 5050 Bexar Street, within the Bexar Street Redevelopment corridor. The existing building is 2,800 square feet in size and operates as a neighborhood grocery mart for area residents. The property is currently in need of exterior and interior repairs to complement the new development underway along the Bexar Street corridor. Funding will be used for exterior roofing, façade improvements, and minor interior improvements.

BACKGROUND (continued)

The original City Council action, on October 14, 2009, approved a five year forgivable loan, which has not been entered into by the parties. Based upon continuing discussions with the business owner, conditions in the neighborhood being served by the business, the status of overall redevelopment efforts in the community and the source of funds, staff has concluded that it is in the City's interest to modify the project to provide for an economic development grant. The City of Dallas Housing/Community Services Department will oversee the improvements and monitor completion and payment of contractors, which are anticipated to be complete by fall 2010.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49, CT 89, CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003 by Resolution No. 03-0830.

On September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00(part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005 by Resolution No. 05-2795.

On August 9, 2006, the City Council approved 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.

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.

On September 24, 2008, the City Council redesignated the existing NIP target areas and designated two additional NIP target areas by Resolution No. 08-2559.

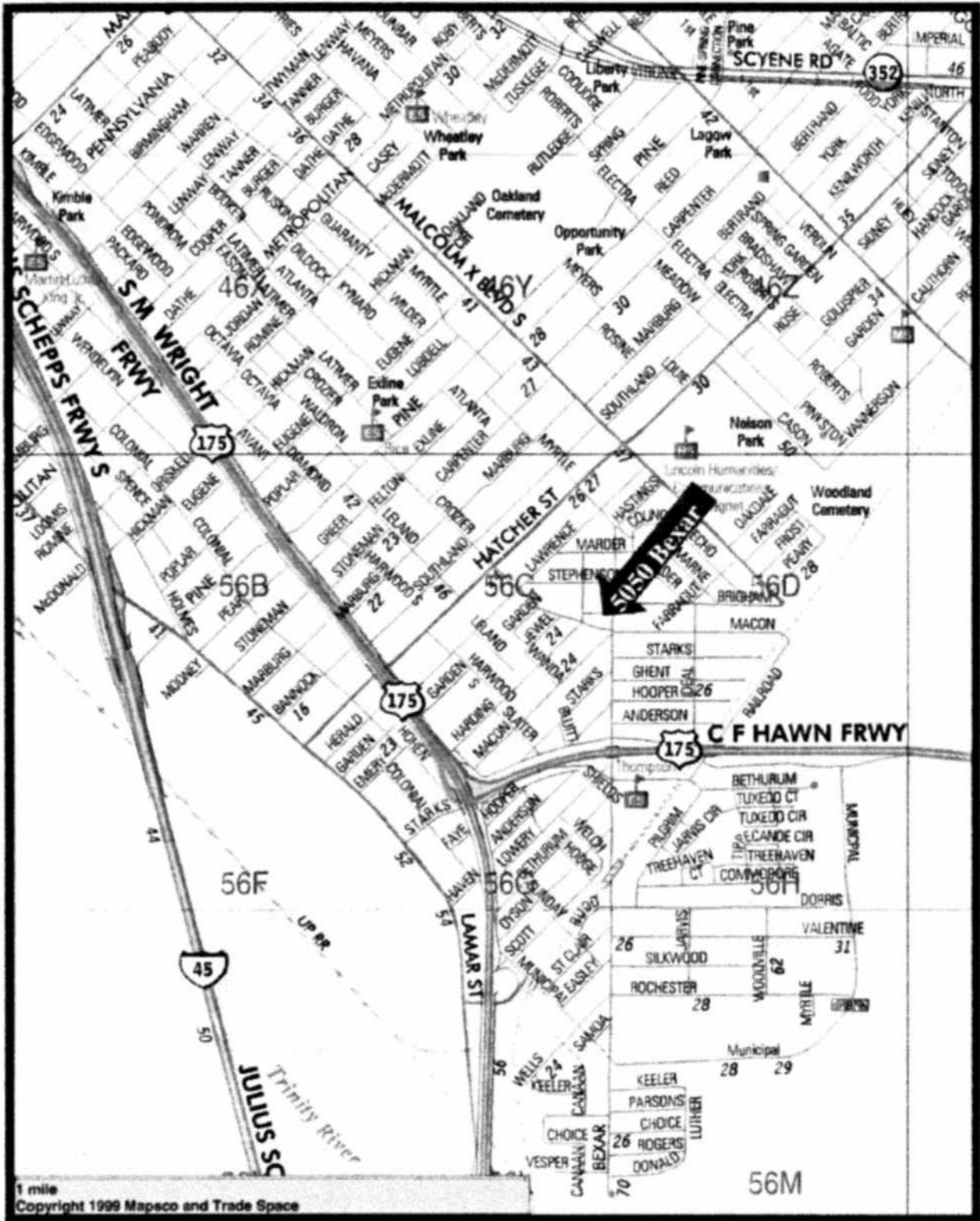
On October 14, 2009, the City Council approved an economic development loan to TC Grocery, Inc. in an amount not to exceed \$105,000 for exterior and interior building improvements to 5050 Bexar Street by Resolution No. 09-2521.

FISCAL INFORMATION

2006 Bond Funds - \$105,000

MAP(S)

Attached



MAPSCO 56C

May 26, 2010

WHEREAS, on February 26, 2003, the City Council approved the designation of five (5) census tracts, (CT 25.00, CT 39.02, CT 49.00, CT 89.00, and CT 101.01) as Neighborhood Investment Program (NIP) target areas for two years beginning October 1, 2003; and

WHEREAS, on September 28, 2005, the City Council approved the redesignation and expansion of three of the existing five NIP targeted areas as follows: CT 25.00 expanded to include CT 27.01 and CT 27.02; CT 39.02 expanded to include CT 115.00 (part); and CT 101.01 expanded to include CT 101.02. These census tracts were designated for a minimum of three years, beginning October 1, 2005; and

WHEREAS, on September 28, 2005, the City Council re-designated the existing NIP target areas and designated two additional NIP target areas; and

WHEREAS, the City of Dallas has adopted an Economic Development and Transit-Oriented Plan for the Bexar Street Neighborhood which includes construction retail, commercial and mixed-use development; and

WHEREAS, on August 9, 2006, the City Council approved 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 improvement for the fostering of Economic Development projects; and

WHEREAS, On November 7, 2006, the voters of Dallas approved a \$1.35 billion General Obligation Bond Program of which \$41,495,000 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, the City Council has determined that this project is in accordance with and furthers the goals and purposes of the Economic Development & Transit –Oriented Plan for Bexar Street and thereby fosters economic development; and

WHEREAS, on October 14, 2009, the City Council approved an economic development loan to TC Grocery, Inc. in an amount not to exceed \$105,000 for exterior and interior building improvements to 5050 Bexar Street; and

May 26, 2010

WHEREAS, TC Grocery, Inc. will now execute an economic development grant agreement with the City of Dallas to improve the property at 5050 Bexar Street; **NOW, THEREFORE**,

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

Section 1. That the City Manager or designee, upon approval as to form by the City Attorney, is hereby authorized to enter into an economic development grant agreement providing for an economic development grant in an amount not to exceed \$105,000 for exterior and interior building improvements to 5050 Bexar Street, a neighborhood serving retail/grocery business located within the Bexar Street Redevelopment, rather than an economic development loan as authorized pursuant to Resolution No. 09-2521.

Section 2. That the Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contract as follows:

T.C. Grocery, Inc. Vendor # VS0000049492

Fund 8T52, Dept HOU, Unit T807, Obj 3016, Program # HOUBEXAR01
CT HOUT807K287- in an amount not to exceed \$105,000

Section 3. That nothing in this resolution shall be construed as a binding contract or agreement upon the City, that it is subject to available bond funding, and there will be no liability or obligation on the City until final contract documents are approved, and executed.

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 it is accordingly so resolved.

DISTRIBUTION:

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

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 26, 2010
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: N/A

SUBJECT

Authorize **(1)** preliminary adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP) to amend the Program Statement to include Activity 3- Acquisition, Redevelopment, & Sale of Foreclosed/Abandoned Properties; **(2)** the Reprogramming of \$2,500,000 from Activity 2-Acquisition, Rehabilitation, & Sell/Rent Foreclosed Properties Program (ARSR) to Activity 3-Acquisition, Redevelopment, & Sale of Foreclosed Properties; and **(3)** a public hearing to be held on June 23, 2010 to receive comments on Substantial Amendment No. 5 to the Consolidated Plan - Financing: No cost consideration to the City

BACKGROUND

In July 2008, the Housing and Economic Recovery Act of 2008 (HERA) was enacted into law. HERA appropriated \$3.92 billion to assist states and localities in redevelopment efforts, particularly for foreclosed or abandoned housing properties. The Program is referred to as the Neighborhood Stabilization Program (NSP) and is considered a Special Allocation of 2008 Community Development Block Grant Funds.

On September 26, 2008, the City of Dallas was notified of its allocation of \$7,932,555 of NSP funds. Allocations to states and localities were based on percentage and number of home foreclosures, homes financed by sub prime mortgage related loans, and homes in default or delinquency.

Localities who wished to accept the allocation of NSP funds submitted an amendment to their Consolidated Plan on December 1, 2008. The City of Dallas amendment included identification of the "Areas of Greatest Need" based upon the greatest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage loans, and areas identified as likely to face a significant rise in foreclosures.

BACKGROUND (continued)

The NSP funds may benefit low, moderate and middle income persons up to 120% Area Median Family Income (AMFI) for Dallas and 25% of the NSP funds must benefit low income persons up to 50% AMFI. The use of the funds must comply with the requirements under the HERA; the Community Development Block Grant regulations; the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970, and other federal requirements.

Notice of the allocation of NSP funds was provided to the public on October 23, 2008 and comments as to the use of funds were requested. On November 17, 2008, the Housing Committee of the City Council was briefed on the NSP and reviewed recommendations for the use of funds. On November 19, 2008, City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds, which included \$2.5 million for Acquisition, Demolition, and Redevelopment of Foreclosed and Abandoned Properties (ADR), \$4,639,300 for Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR), and \$793,255 to provide for the administration, planning, oversight, reporting and implementation of projects to be funded by NSP over a four year period.

This Council action would provide preliminary approval to amend the current program statement to include a new Activity 3-Acquisition, Redevelopment, & Sale of Foreclosed Properties and reprogram \$2,500,000 from Activity 2 to this new activity. This item also sets a public hearing for June 23, 2010 to receive comments on this proposed amendment No. 5.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 2, 2008, the Housing Committee was briefed on the City of Dallas foreclosure activity.

On November 3, 2008, the Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending Neighborhood Stabilization Program (NSP) allocations.

On November 17, 2008, the Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds.

On November 19, 2008, the City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds by Resolution No. 08-3195.

On February 25, 2009, the City Council authorized the acceptance of the NSP funds by Resolution No. 09-0530.

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

On December 9, 2009, the City Council authorized Substantial Amendment No. 4 to the 2008-09 Consolidated Plan for the NSP Program by Resolution No. 09-3019.

FISCAL INFORMATION

No cost consideration to the City.

May 26, 2010

WHEREAS, On September 2, 2008, the Housing Committee was briefed on the City of Dallas foreclosure activity; and

WHEREAS, On November 3, 2008, the Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending Neighborhood Stabilization Program (NSP) allocations; and

WHEREAS, On November 17, 2008, the Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds; and

WHEREAS, On November 19, 2008, the City Council authorized the FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the NSP funds by Resolution No. 08-3195; and,

WHEREAS, On February 25, 2009, the City Council authorized the acceptance of the NSP funds by Resolution No. 09-0530; and,

WHEREAS, On December 9, 2009, the City Council authorized Substantial Amendment No.4 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program by Resolution No. 09-3019; 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; **NOW, THEREFORE**,

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

SECTION 1. Authorize (1) preliminary adoption of Substantial Amendment No. 5 to the FY 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP) to amend the Program Statement (Attachment A) to include Activity 3- Acquisition, Redevelopment, & Sale of Foreclosed/Abandoned Properties; (2) the Reprogramming of \$2,500,000 from Activity 2-Acquisition, Rehabilitation, & Sell/Rent Foreclosed Properties Program (ARSR) to Activity 3-Acquisition, Redevelopment, & Sale of Foreclosed Properties; and (3) a public hearing to be held on June 23, 2010 to receive comments on Substantial Amendment No. 5 to the Consolidated Plan

SECTION 2. That a public hearing to be held on June 23, 2010 to receive comments on Substantial Amendment No. 5 to the 2008-09 Consolidated Plan for the Neighborhood Stabilization Program (NSP).

May 26, 2010

SECTION 3. 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 Department
City Attorney's Office
Office of Financial Services/Community Development, 4FS

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

Program Purpose: To provide Neighborhood Stabilization Program (NSP) funding for the establishment of financing mechanisms for 1) the acquisition, demolition, maintenance & redevelopment of foreclosed or abandoned single-family homes and multi-family properties, and the acquisition of vacant, abandoned or foreclosed land operated by the Dallas Housing Acquisition and Development Corporation (DHADC); and 2) the acquisition, rehabilitation, and sale/rent of improved properties that have been foreclosed, on a bulk sales basis; and 3) the acquisition, redevelopment, and sale of foreclosed/abandoned and vacant properties.

Acquisitions could include duplexes and four-plexes, multifamily properties for Permanent Supportive Housing redevelopment, including Homeless rental units, to achieve affordability for low and moderate-income homebuyers and renters. To benefit NSP designated neighborhoods through the making of loans/grants that promote activities that contribute to the development of viable neighborhood communities by providing decent housing and a suitable living environment. Both components will increase the supply of existing and new affordable single-family housing, workforce housing and multifamily development.

Funding: \$7,139,300 – NSP/Community Development Block Grant Funds (CDBG)

Twenty-five percent (25%) of the NSP funds must be used for housing individuals and families whose incomes do not exceed 50 percent of AMFI. NSP funds will be made available to interested parties via Request for Application (RFA), under activity #2 and activity #3

NSP Areas: NSP areas are identified as “Areas of Greatest Need” (AGN), (Attachment A). Areas were selected based on the greatest percentage of home foreclosures; highest percentage of homes financed by a subprime mortgage related loan; and identified as likely to face a significant rise in the rate of home foreclosures. Each AGN is identified by a MAPSCO page because they represent smallest areas in foreclosure data base. There are a total of 13 AGN authorized by the City.

Activity 1: Available Funding: \$2,500,000 - Acquisition, Demolition, Maintenance & Redevelopment for Land Banking Program (ADR) Description:

The City Housing Department, through the Land Bank section of the DHADC, will purchase improved properties that have been foreclosed upon, identified as abandoned or blighted structures and/or improved properties which are unoccupied, and vacant, abandoned or foreclosed land.

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- Abandoned - A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, the property has been unoccupied for at least 90 days, and/or no mortgage or tax payments have been made by the property owner for at least 90 days.
- Properties will be demolished and land banked for up to 10 years, pursuant to NSP federal guidelines. The vacant properties will be maintained by the City and held for future sale to developers for development of new affordable and workforce single-family housing and for development of multifamily projects.
- The City of Dallas may demolish up to 50 units under the land bank portion of the NSP
 - Under the NSP, one-for-one replacement requirements under CDBG regulations have been waived
 - The City of Dallas will not use eminent domain or allow for involuntary sales in its NSP
- Foreclosed properties acquired in the NSP areas will be assembled by the DHADC Land Bank Program (LB) and made available for resale to developers to acquire vacant single-family lots in the NSP under a bulk sales agreement.
- The City Housing Department will solicit proposals via a Request for Proposal (RFA) and will include a list of available properties, project and selection criteria for acquisition and redevelopment of properties.
 - Developers acquiring properties will be required to maintain properties in order to avoid City Code Compliance Department (CCD) violations.
 - All NSP property addresses have been provided to the CCD for monitoring purposes
- Vacant properties will be sold to qualified developers at a discount and may also be combined with other City owned lots being sold in the same NSP neighborhood. The sales proceeds from these single-family lot sales will be used for future NSP foreclosed single-family home purchases.

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- Developers will be required to redevelop the vacant property and sell the newly constructed home within three years.
- The NSP LB lots, once redeveloped, will be subject to affordability requirements at or below 120% of Area Median Family Income (AMFI). The City require that twenty-five percent (25%) of the NSP funds used for the acquisition of NSP LB lots that will be redeveloped, be sold to homebuyers at or below fifty percent (50%) of AMFI. The latter requirement will be negotiated with the Developer on an individual basis.
- Additional consideration will be given to those Developers proposing to build “Green”, environmentally friendly homes which conserve energy and reduce utility costs. Homes must meet energy star requirements, at minimum.

Activity 2: Available Funding: ~~\$4,639,300~~ \$2,139,300- Acquisition, Rehabilitation, & Sell/Rent Foreclosed Properties Program (ARSR) Description

The City of Dallas Housing Department will provide funds to qualified non-profit and for-profit developers to assist with acquisition and rehabilitation costs of single-family and multi-family properties that have been foreclosed. Acquired properties must be rehabilitated, sold or rented to achieve affordability for low and moderate-income homebuyers and renters. The ARSR program funds will benefit NSP neighborhoods by making of loans/grants that promote activities which contribute to the development of viable communities by providing decent housing and a suitable living environment, and to increase the supply of new affordable housing for individuals and families.

1. The Housing Department will provide non-profit and for-profit entities (the “Developer”) loans/grants for the purchase and rehabilitation of foreclosed homes and residential properties for sale or rent to families at 120% or below of AMFI. The City will require that twenty-five percent (25%) of the NSP funds used for the purchase of foreclosed upon homes and redeveloped must be sold or rented to homebuyers at or below fifty percent (50%) of AMFI.
2. The City Housing Department will solicit proposals via a Request for Application (RFA) that includes project and selection criteria for acquisition and rehabilitation of properties.

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- At a minimum, the project must meet applicable City Codes, and locally adopted Minimum Housing Standards (MHS).
- Affordability requirements and eligibility requirements will be observed in accordance with federal guidelines.
- The RFA will include a listing of properties that have been foreclosed for each of the MAPSCO pages designated as an AGN by the City Council. The foreclosure listing will be the most recently updated data available to the City; however, there may be properties on the foreclosure listing that have already been sold by the lender/owner.
- All acquisition of foreclosed properties must be located in the following designated MAPSCO pages that included the highest number of foreclosure concentrations, corresponding Foreclosure Needs Score (FNS), as published by the LISC Foreclosure Response Project issued October 2008 (FNS with a score of 100 being the highest needs category) and corresponding ZIP Codes.

AREAS OF GREATEST NEED

No.	MAPSC O Page	# of Foreclosure s	City Council Districts
1	65	161	8,5,4
2	59	151	8,5
3	46	135	7
4	55	132	4
5	54	127	3,4,1
6	56	127	4,5,7
7	64	124	5,8,4
8	58	102	5,8,4
9	66	100	8,5
10	48	90	7,4
11	53	89	8,5,3,1
12	69	68	8
13	69A	50	8
	Total	1456	

ATTACHMENT A
PROGRAM STATEMENT
NEIGHBORHOOD STABILIZATION PROGRAMS
(NSP)

RFP Foreclosure List will be made available for the following MAPSCO Pages

- 65:** 161 foreclosures includes ZIP Codes 75216 that has a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores), and 75241 with a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)
- 59:** 151 foreclosures includes ZIP Codes 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas, and 75227 that has a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores)
- 46:** 135 foreclosures includes ZIP Codes 75215 with an 11.6 FNS; 75223 with a 2.3 FNS; 75210 with a 5.2 FNS; 75204 with a 1.1 FNS; 75214 with a 1.1; 75246 with a 1.1 FNS having the 3rd highest number of foreclosures
- 55:** 132 foreclosures includes ZIP Codes 75215 with a 11.6 FNS; 75203 with a 5.5 FNS; 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)
- 54:** 127 foreclosures includes ZIP Codes 75208 with a 5.6 FNS and 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores)
- 56:** 127 foreclosures includes ZIP Codes 75215 with 11.6 FNS and 75216 with 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores)
- 64:** 124 foreclosures includes ZIP Codes 75224 with a 16.2 FNS (16.0 Subprime, 9.4 foreclosure and 17.2 delinquency scores) and 75232 with a 39.1 (37.6 Subprime, 38.7 foreclosure and 37.6 delinquency scores)
- 58:** 102 foreclosures includes ZIP Codes 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores) and 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas
- 66:** 100 foreclosures includes ZIP Codes 75216 with a 48.4 FNS (48.1 Subprime, 32.6 foreclosure and 30.9 delinquency scores) and 75241 with

ATTACHMENT A
PROGRAM STATEMENT
NEIGHBORHOOD STABILIZATION PROGRAMS
(NSP)

a 58.6 FNS (59.1 Subprime, 68.2 foreclosure and 50.8 delinquency scores)

48: 90 foreclosures includes ZIP Codes 75228 with a 20.8 FSN (24.1 Subprime, 12.4 foreclosure and 18.9 delinquency scores) and 75227 with a 52.6 FNS (49.9 Subprime, 45.7 foreclosure and 53.3 delinquency scores)

53: 89 foreclosures includes ZIP Codes 75211 with an 30.0 FNS (31.6 Subprime, 15.0 foreclosure and 31.0 delinquency scores) and 75233 that has a 12.6 FNS (8.8 Subprime, 6.9 foreclosure and 12.1 delinquency scores)

69: 68 foreclosures includes ZIP Codes 75217 with an 81.2 FNS (71.9 Subprime, 45.4 foreclosure and 63.0 delinquency scores), the highest in the City of Dallas; and 75253 that has a 10.2 FNS (8.7 Subprime, 17.1 foreclosure and 8.6 delinquency scores)

69A: 50 foreclosures includes ZIP Code 75253 that has a 10.2 FNS (8.7 Subprime, 17.1 foreclosure and 8.6 delinquency scores)

Program Operations:

- ARSR Activities will proceed as follows:
- ARSR Request for Applications (RFA) are made when available funding is sufficient to support a NSP project request according to the requirements of this program statement.
- ARSR contract awards will be made through an RFA that will be mailed to interested entities for the acquisition, rehabilitation and sale of foreclosed properties as follows:
 - Prior to mail out of any RFA, a letter will be sent to entities on City's non-profit, for-profit mailing list and an ad placed in the Dallas Morning News announcing NSP funding availability

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- The letter outlining the terms, process and requirements of the City of Dallas' NSP will include MAPSCO pages identifying "Areas of Greatest Need" that have been approved by the City Council
- Interested entities will be required to respond within 2 weeks identifying one or all of the MAPSCO pages if they intend to participate
- RFA package will be sent to each interested applicant, detailing all the requirements for participation in the NSP
 - Capacity, development experience, financials and production will all be considered in recommending a contract award
- RFA will include list of all known foreclosed properties in each MAPSCO area selected by proposer
 - Applicants will have 30-days to respond to the RFA
 - Proposer will identify proposed foreclosure acquisitions by address
- Those applicants receiving an award will be provided a letter from City that can be used in negotiating the acquisition of properties with the owner of the property (lender), and with a commitment to advance funds for a period of 90 days
- Applicant will have 90 days to submit sales contracts to City
- Once sales contract(s) are received, Applicant will have up to 90 days to complete each environmental, appraisal, title commitment, survey and close on the property
- City staff is responsible for reviewing completeness of funding ARSR/ADR proposals and determining if the applicant meets the minimum requirements, prior to briefing and a recommendation for funding to the Dallas City Council's Housing Committee. Those applications not meeting the RFP criteria will not be sent to the Housing Committee for consideration.
- The City Housing Department is responsible for seeking Housing Committee and City Council approval, timing of the RFA, entering into a contract with the successful Developer, and monitoring of the loan.

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- The City reserves the right to reject all proposals/applications.
- The Developer who purchases foreclosed properties from lenders/owners in the designated NSP Areas will be responsible for: 1) providing documentation of purchase of the foreclosed single-family or multi-family properties in the NSP Areas; 2) securing primary financing with guarantees where required; 3) securing commitment(s) from home builders (if applicable); 4) completing the project on time and within budget; and 5) managing the rehabilitation and/or build-out of the development.
- The ARSR Activity will:
 - Require a minimum of 10 foreclosed property acquisitions per NSP proposal
 - Restrict the acquisition and rehabilitation to homes built after 1978
 - Require a 1 % or greater discount off appraised value on the acquisition of a property from a lender
 - Require an environmental assessment report on each property acquired
 - Require an appraisal no more than 60 days prior to date of acquisition (lender may provide current appraisal)
 - Provide 50% of the acquisition cost for homes to be acquired by qualified entities @ 0% interest loan
 - Provide up to \$20,000 in a deferred loan, for rehabilitation cost, to bring the home up to minimum housing standards
 - Require full insurance coverage to protect against theft, vandalism and other losses until home is sold
 - Allow the contractor a maximum developer fee of 20% on the sale or rental of each home
 - Apply affordability period pursuant to HOME regulations, will be a 15 year deed restriction
 - Require the Developer to pay City's acquisition loan in full, upon sale and closing of permanent loan to homebuyer
 - Require Developers to maintain properties in order to avoid City Code Compliance Department (CCD) violations.
 - All NSP property addresses have been provided to the CCD for monitoring purposes

ATTACHMENT A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

- ARSR Loans may be negotiated as a rental/lease with option to buy, with home sold to qualified homebuyer no later than 5 years of acquisition from lender with a balloon payment made to the City for 50% of the initial acquisition cost. Homes not sold within the 5 year period will convert to rental units and will remain affordable for a period not to exceed a total of 15 years.
- Provisions for Insurance and Maintenance will be required until home is sold

Additional Requirements

- The Developer or any of its associated companies must not have any outstanding compliance issues, delinquent taxes, or code violations with the City of Dallas.
- The Developer, or any of its associated companies, must not have had any bankruptcies in the last seven (7) years.

Activity 3: Available Funding: \$2,500,000- Acquisition, Redevelopment, & Sale of Foreclosed/Abandoned Properties (AR) Description

The City of Dallas Housing Department will provide funds to qualified non-profit developers that are also certified Community Housing Development Organizations (CHDOs) to acquire, redevelop (construct), and sell single-family homes on foreclosed/abandoned and vacant properties.

1. The Housing Department will provide non-profit entities (the "Developer") loans/grants for the purchase, redevelopment, and sale of foreclosed/abandoned and vacant residential properties for sale to families at 50% or below of AMFI.
2. All acquisition of foreclosed/abandoned and vacant properties must be located in the City designated Areas of Greatest Need (AGN)
3. Eligibility requirements will be observed in accordance with federal guidelines.
4. The City Housing Department will solicit applications via a Request for Application (RFA) that includes project and selection criteria.

5. Development experience, financial capacity, and production timeline will all be considered in contract awards.
6. Housing/Community Services Department Director (or designee) will provide approval of individual applications by CHDOs for funding under this program.
7. The City Housing/Community Services Department is responsible for implementation, monitoring, and evaluation under this program.

Additional Provisions for AR Program

- Require a minimum of 4 foreclosed/abandoned and vacant property acquisitions per application
- Require an environmental assessment report on each property acquired
- Provide up to 50% of the redevelopment costs as a grant to the homebuyer
- Redeveloped properties will carry a 20 year affordability deed restriction
- CHDO developer must sell redeveloped property for 50% of redevelopment cost, including acquisition costs
- Proceeds from the sale of the redeveloped property will be returned to the City of Dallas for reuse on additional AR program properties
- CHDO developer must sell redeveloped property to a household with income at or below 50% of Area Median Family Income (AMFI)
- AR Program homebuyers will be eligible for up to a maximum of \$5,000 for down payment and closing costs

KEY FOCUS AREA: A Cleaner, Healthier City Environment

AGENDA DATE: May 26, 2010

COUNCIL DISTRICT(S): 5, 6, 8

DEPARTMENT: Housing/Community Services

CMO: A. C. Gonzalez, 671-8925

MAPSCO: 44K 44P 66B 66X

SUBJECT

Authorize the reconstruction on-site of four homes in accordance with the Reconstruction/SHARE Program Statement requirements for the properties located at 1323 Amos Street in the amount of \$93,400, 3306 Mojave Drive in the amount of \$93,400, 3038 Modree Avenue in the amount of \$93,400, and 3618 Chicago Street in the amount of \$93,400 - Total not to exceed \$373,600 - Financing: 2008-09 Community Development Block Grant Funds

BACKGROUND

On November 12, 2007, City Council approved an amendment to the Program Statement for the Home Repair Program which authorizes loans for reconstruction on site of new homes to low-income homeowners in Dallas earning less than 50% Citywide, and 80% in NIP areas of Area Median Family Income (AMFI).

On December 9, 2009, City Council approved an amendment to the Program Statement for the Reconstruction/SHARE program to provide to homeowners a maximum of \$93,400 for a new home on-site of approximately 1,200 sq ft.

City Council authorization is required prior to proceeding with reconstruction on site when all of the following conditions exist: (a) repairs necessary to meet the City's locally adopted Housing Rehabilitation Standards or Federal Housing Quality Standards, and all applicable codes cannot be accomplished within the program funding limits; (b) the conditions of the home create an imminent danger to the life, health and/or safety of the residents, and/or the neighborhood; and (c) repairs are not feasible so as to extend the life of the repaired structure beyond 15 years.

BACKGROUND (continued)

On October 8, 2008, City Council approved an amendment to the Program Statement for the Home Repair Program which authorizes loans for reconstruction on site of new homes to low-income homeowners in Dallas earning less than 80% of Area Median Family Income (AMFI), and who are older than 62 years of age or disabled, and to provide assistance with one (1) tax and insurance payment.

The homeowners herein described and their properties are eligible for a reconstruction/SHARE Program loan. The homeowners are 80% and below AMFI and their names, ages and property addresses are as follows: Pauline Hamilton, an elderly female, 86 years old and residing at 1323 Amos Street; Vennie Logan Jr., 70 years old and Marsha Logan, 56 years old, both an elderly couple residing at 3306 Mojave Drive; June Willis, 73 years old and Maggie Willis, 72 years old, both an elderly couple residing at 3038 Modree Avenue; and Martha E. Davis, an elderly female 69 years old and residing at 3618 Chicago street.

This action provides authority to proceed with reconstruction of four (4) single-family homes on-site, as all conditions noted above have been met.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 28, 1998, City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program, and clarified the procedures for reconstruction on-site under certain conditions by Council Resolution No. 98-3157.

On August 23, 2000, City Council authorized approval of the Program Statement for the Home Improvement Loan Program by Resolution No. 00-2656.

On June 27, 2001, City Council authorized approval of the Program Statement for the Home Repair Program by Resolution No. 01-2049.

On August 14, 2002, City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-2272.

On October 23, 2002, City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-3047.

On October 22, 2003, City Council authorized the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 03-2833.

On June 23, 2004, City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 04-2097.

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

On October 18, 2004, the Housing and Neighborhood Development Committee recommended to increase the Maximum loan for a replacement home to \$70,000.

On November 10, 2004, City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program to increase the maximum amount to \$70,000 by Resolution No. 04-3194.

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 who are older than 62 years of age or disabled, and to provide assistance with one (1) tax and insurance payment in Resolution No. 08-2768.

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 in Resolution No. 09-2951.

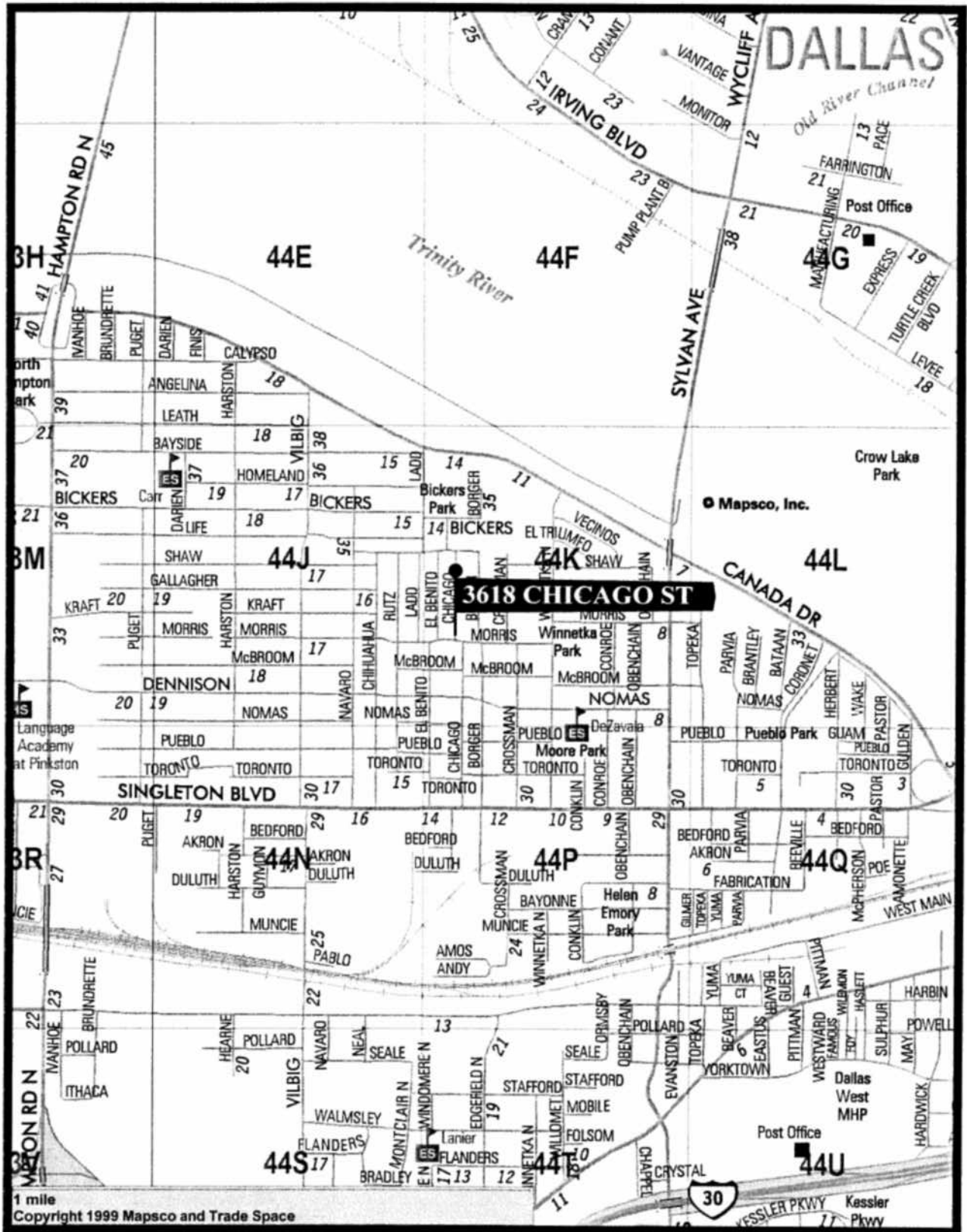
FISCAL INFORMATION

2008-09 Community Development Block Grant Funds - \$373,600

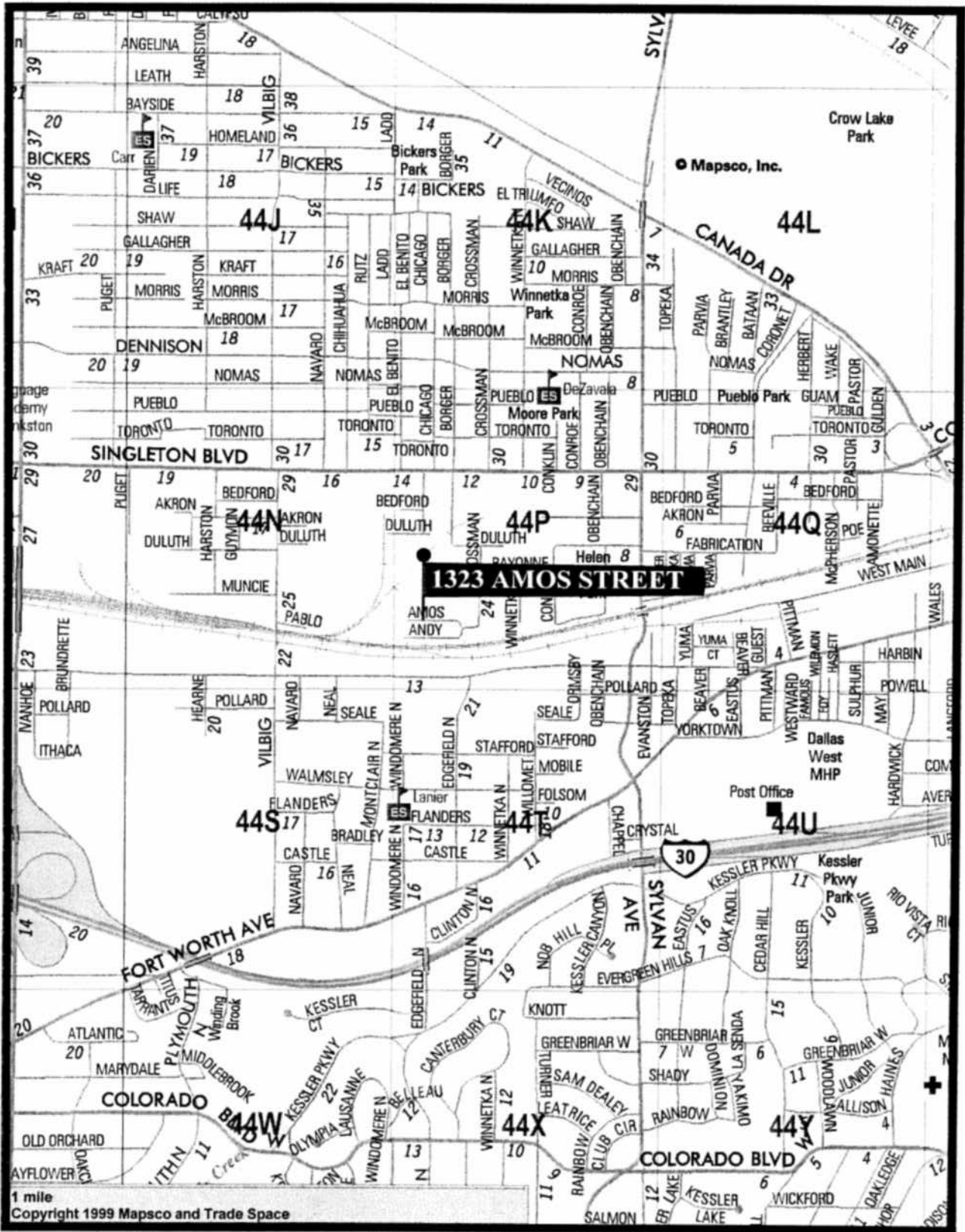
Council District 5 - \$93,400
Council District 6 - \$186,800
Council District 8 - \$93,400

MAP(S)

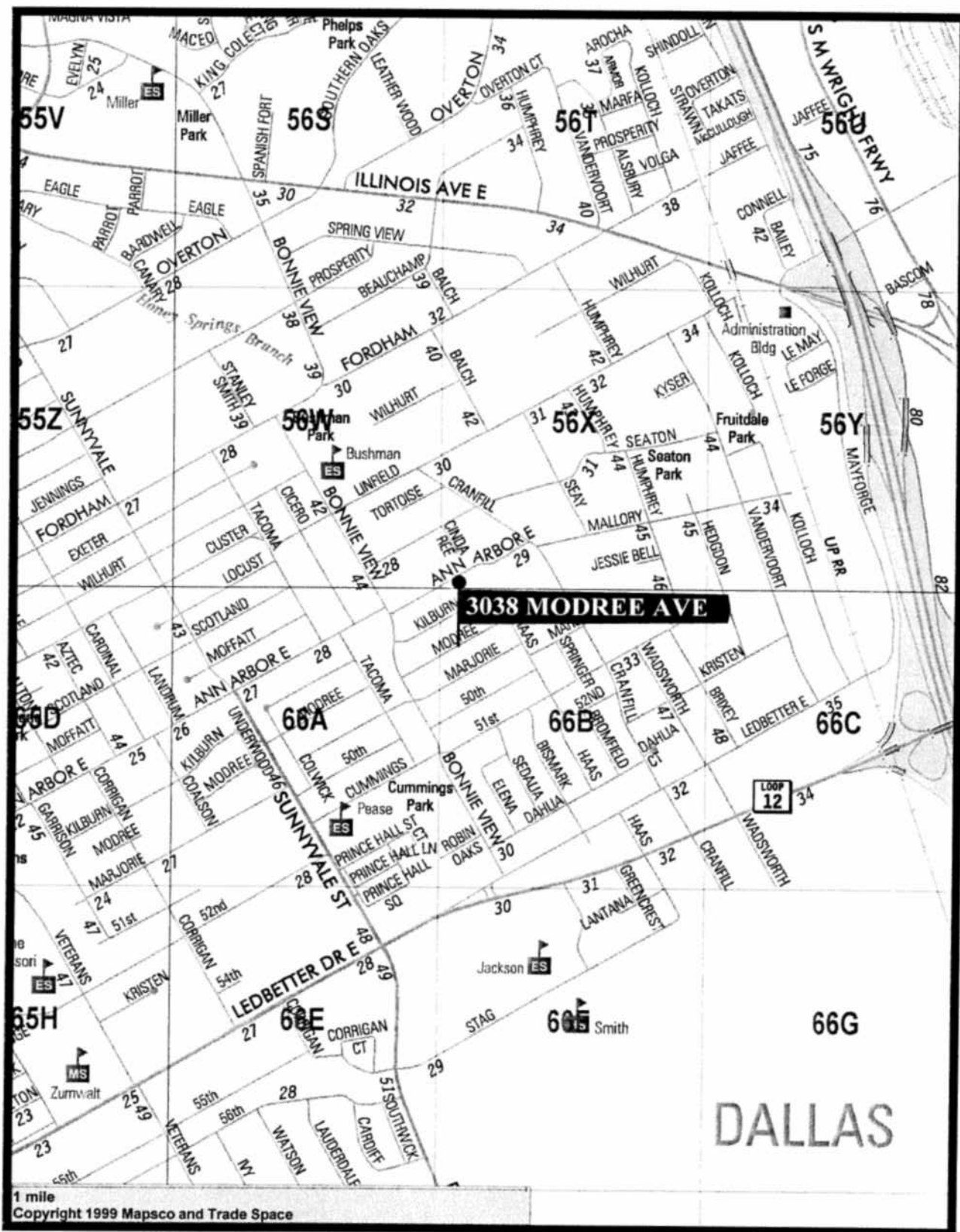
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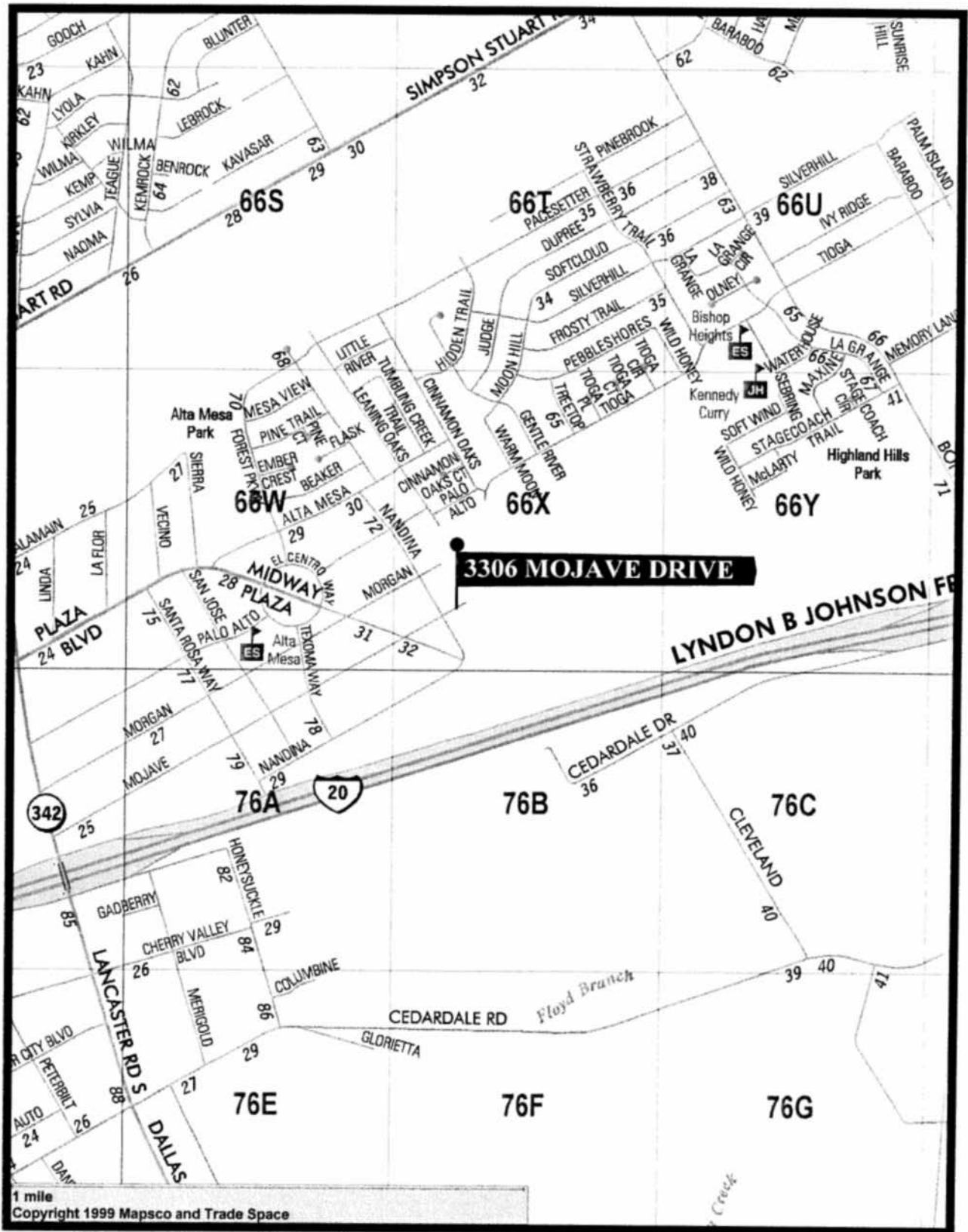
MAPSCO 44K



MAPSCO 44P



MAPSCO 66B



MAPSCO 66X

May 26, 2010

WHEREAS, on October 28, 1998, City Council approved the Program Statement authorizing the Housing Department to implement the Home Improvement Loan Program and clarified the procedures for reconstruction on-site under certain conditions by Resolution No. 98-3157; and

WHEREAS, on August 23, 2000, City Council authorized approval of the Program Statement for the Home Improvement Loan Program by Resolution No. 00-2656; and

WHEREAS, on June 27, 2001, City Council authorized approval of a Program Statement for the Home Repair Program by Resolution No. 01-2049; and

WHEREAS, on August 14, 2002, City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-2272; and

WHEREAS, on October 23, 2002, City Council authorized the Program Statement for the Home Repair Program by Resolution No. 02-3047; and

WHEREAS, on October 22, 2003, City Council authorized the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 03-2833; and

WHEREAS, on June 23, 2004, City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program by Resolution No. 04-2097; and

WHEREAS, on October 18, 2004, the Housing and Neighborhood Development Committee recommended increasing the Maximum loan for a replacement home to \$70,000; and

WHEREAS, on November 10, 2004, City Council authorized an amendment to the Program Statement for the Replacement and SHARE Housing Program to increase the maximum amount to \$70,000 by Resolution No. 04-3194; and

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 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 to add an amenities package up to \$5,900 by Resolution No. 08-1266; and

May 26, 2010

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, who are older than 62 years old or disabled, and to provide assistance with one (1) tax and insurance payment; 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, the homeowners herein described made application to the Home Repair Program: Pauline Hamilton at 1323 Amos Street; Vennie Jr. & Marsha Logan at 3306 Mojave Drive; June & Maggie Willis at 3038 Modree Avenue; and Martha E. Davis at 3618 Chicago Street and

WHEREAS, all three conditions outlined in the Reconstruction/SHARE Program Statement for reconstruction of a home on-site have been met for the property owners Pauline Hamilton, Vennie Jr. & Marsha Logan, June & Maggie Willis; and Martha E. Davis **NOW THEREFORE**,

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

SECTION 1. That the application and property from homeowners described for a reconstruction loan be approved under the Reconstruction/SHARE Program: Pauline Hamilton at 1323 Amos Street; Vennie Jr. and Marsha Logan at 3306 Mojave Drive; June and Maggie Willis at 3038 Modree Avenue; and Martha E. Davis at 3618 Chicago Street. All loans are in the amounts shown in Section 3 hereof.

SECTION 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute loan documents with Pauline Hamilton, Vennie Jr. and Marsha Logan, June and Maggie Willis, and Martha E. Davis for reconstruction on-site of the homes to be located at: 1323 Amos Street; 3306 Mojave Drive; 3038 Modree Avenue, and 3618 Chicago Street.

SECTION 3. That the City Controller is authorized to make payments for reconstruction of the home in accordance with the funding information listed according to:

Fund CD08 Dept HOU, Unit 304A, Obj 3100 CT HOU304AG415 (\$93,400)
Vendor # 339393 – Bethel Construction. – 1323 Amos Street

Fund CD08 Dept HOU, Unit 304A, Obj 3100 CT HOU304AG413 (\$93,400)
Vendor # VS0000040190 – Altura Homes DFW, LP. – 3306 Mojave Drive

May 26, 2010

Fund CD08 Dept HOU, Unit 304A, Obj 3100 CT HOU304AG414 (\$93,400)
Vendor # 516779 – Opportunity Developers, LP. – 3038 Modree Avenue

Fund CD08 Dept HOU, Unit 304A, Obj 3100 CT HOU304AG416 (\$93,400)
Vendor # 337798 – Torres Construction. – 3618 Chicago Street

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 it is accordingly so resolved.

DISTRIBUTION:

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

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 26, 2010
COUNCIL DISTRICT(S): 3, 7
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 44J 56H

SUBJECT

A public hearing to receive comments on the proposed private sale by quitclaim deed of two unimproved properties acquired by the taxing authorities from the Sheriff's Sale to Dallas Neighborhood Alliance For Habitat, Inc. a qualified non-profit organization; and at the close of the public hearing, authorize **(1)** the private sale under the HB110 process through the Land Transfer Program, as provided for by Section 253.010 of the Texas Local Government Code, by quitclaim deed of two (2) unimproved properties acquired by the taxing authorities from the Sheriff's Sale to Dallas Neighborhood Alliance For Habitat, Inc., a qualified non-profit organization; and **(2)** execution of a release of non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any (list attached) - Revenue: \$2,000

BACKGROUND

This item calls for a public hearing to allow the public an opportunity to comment on the proposed private sale of two (2) unimproved properties and authorizes the private sale under the HB110 process through the Land Transfer Program, as provided for by Section 34.015 of the Texas Property Tax Code, which section was subsequently redesignated as Section 253.010 of the Texas Local Government Code, by quitclaim deed of two (2) unimproved properties. These properties were foreclosed by the Sheriff's Department for unpaid taxes pursuant to judgments or seizure warrants from a District Court. These properties are being sold to a qualified non-profit organization that provides affordable housing. Dallas Neighborhood Alliance for Habitat, Inc. will construct two (2) single-family homes containing approximately 1,303-1,706 square feet each for purchase by a low to moderate income homebuyer at the proposed sales price of \$85,000 - \$90,000 each. The anticipated commencement date of construction is April 2012.

BACKGROUND (continued)

The 1997 Texas State Legislature amended Chapter 34 of the Texas Property Tax Code to provide for an alternative manner of sale of tax foreclosed and seized properties to qualified non-profit organizations. Subsequently, Texas Property Tax Code Section 34.015 was redesignated as Local Government Code Section 253.010. In 1998, City Council amended the City Code by adding provisions to Section 2-26 that provided for implementation of this program.

A sign indicating the time and place of the public hearing and private sale was placed on the property three weeks prior to the public hearing. Notification of the public hearing and private sale was mailed to property owners within 200 feet of the property two weeks prior to the public hearing. A notice of the public hearing and private sale was published in the Dallas Morning News ten days prior to the public hearing.

The quitclaim to this property will include deed restrictions which prohibit the placement of industrialized housing on the property.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On April 28, 2010, the City Council authorized a public hearing and proposed sale of two unimproved properties by Resolution No. 10-1054.

FISCAL INFORMATION

Revenue - \$2,000

OWNER

Dallas Neighborhood Alliance For Habitat, Inc.

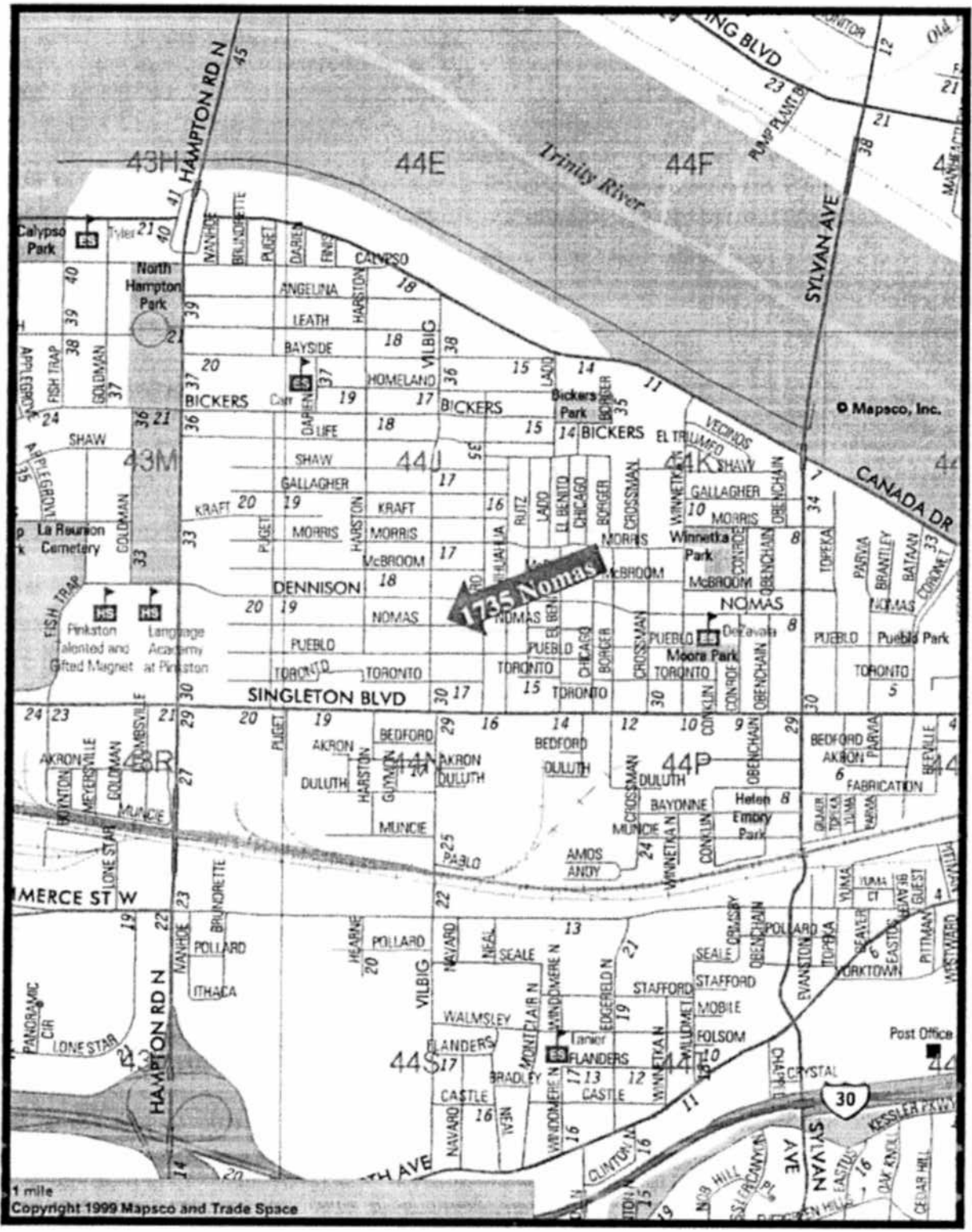
Richard Kelly, President

MAP

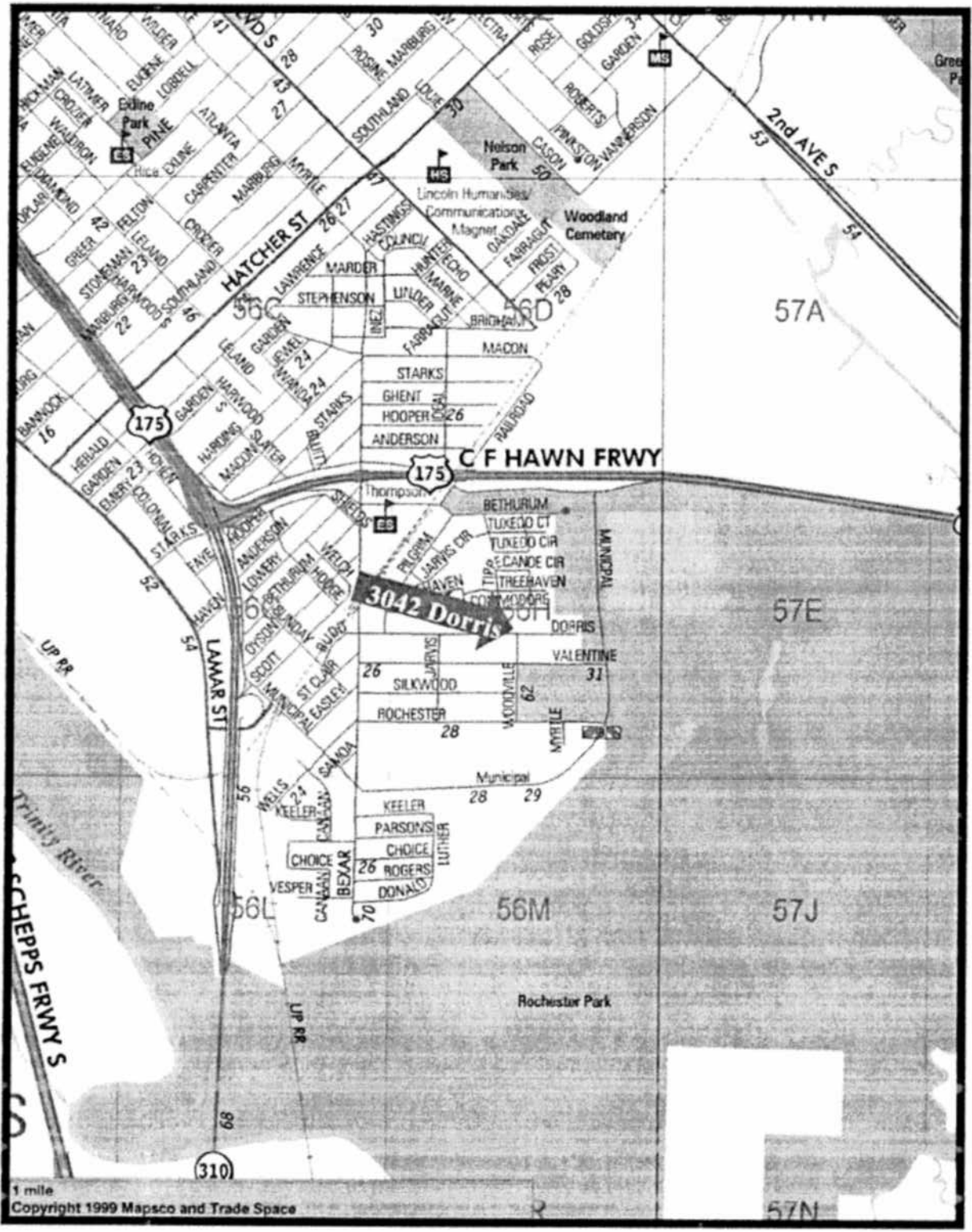
Attached

Tax Foreclosure and Seizure Property Resale

<u>Parcel No.</u>	<u>Address</u>	<u>Non-Profit Organization</u>	<u>Mapsco</u>	<u>DCAD Value</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>	<u>Council District</u>
1.	1735 Nomas	Dallas Neighborhood Alliance For Habitat, Inc.	44J	\$10,000	\$1,000	V	R-5(A)	3
2.	3042 Dorris	Dallas Neighborhood Alliance For Habitat, Inc.	56H	\$1,000	\$1,000	V	R-5(A)	7



MAPSCO 44J



MAPSCO 56H

May 26, 2010

WHEREAS, the City of Dallas, for itself and as trustee, on behalf of the taxing units named as a party to a judgment or in an application for a seizure warrant for delinquent taxes ("Taxing Units"), received tax title to certain properties by Sheriff's Deed, identified on "Exhibit A", attached hereto and made a part hereof, by legal description and the volume and page number of said deed recorded in the real property records of the county in which the property is located, ("Property"); and

WHEREAS, pursuant to the provisions of Chapters 33 and 34 of the Texas Property Tax Code, the City of Dallas ("City") may resell the tax foreclosed Property by private sale, subject to the consent of the other taxing units; and

WHEREAS, the City has given thirty (30) days notice to Dallas County and the Dallas Independent School District that the Property was acquired by said Sheriff's Deed and is proposed for resale to a nonprofit organization for the development of low-income housing; and

WHEREAS, as authorized by Section 253.010 of the Texas Local Government Code, the City desires to sell the Property to a qualified "nonprofit organization" for the development of "affordable housing" for low income persons, as those terms are defined for the purposes of this resolution in Section 2-26.5 of the Dallas City Code ("Code"); and

WHEREAS, the City has received written proposals which contain proposed end uses and time frames from the qualified nonprofit organization to purchase the Property by private sale ("Proposal") at a fixed price of \$1,000.00 for up to 7,500 square feet of land purchased under a single Proposal, plus \$0.133 for each additional square foot of land purchased under the Proposal, all as indicated on "Exhibit A";

WHEREAS, the City Council has previously approved the resale of other properties where funds were not received and have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County; and

WHEREAS, the proceeds of the resale will be distributed in accordance with Chapter 34, section 34.06 of the Texas Property Tax Code; **NOW, THEREFORE,**

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

Section 1. That the Proposal identified on Exhibit "A" is approved by the City.

May 26, 2010

Section 2. That upon receipt of the monetary consideration from the qualified nonprofit organization ("Requestor") for the Property on the list as specified on Exhibit "A", and upon approval of Requestor's Proposal by the governing bodies of the other affected Taxing Units which own the Property, the City Manager is hereby authorized to execute a Quitclaim Deed, upon approval as to form by the City Attorney and attested by the City Secretary, quitclaiming the Property to the Requestor, subject to the right of redemption, if any, and the possibility of reverter with right of re-entry, and to the terms and conditions of Code Section 2-26.10 through 2-26.12 and the Proposal.

Section 3. That the quitclaim deeds to this Property will contain deed restrictions requiring the purchaser to:

- (1) Restrict the sale and resale of owner-occupied property to low-income individuals or families for five (5) years after the date of filing,
- (2) Require the nonprofit organization to develop the proposed housing unit within three (3) years after receiving the quitclaim deed, and
- (3) Require any low-income individual or family to maintain each housing unit and all improvements on the land during the five (5) year period.

Section 4. That the quitclaim deeds to this Property will contain a condition that the quitclaim is also subject to Grantee's representation and agreement that Grantee did not purchase the Property on behalf of a Prohibited Person, as hereinafter defined, and that Grantee will not sell or lease the Property to a Prohibited Person. A "Prohibited Person" shall mean any party who was named as a defendant in the legal proceedings at which the City obtained a final judgment in a District Court in the county in which the land is located for delinquent taxes and an order to foreclose its tax lien on the property or person in the Judgment or Seizure Tax Warrant, issued in a District Court in the county in which the land is located, 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 (as applicable). Grantee's agreement shall be for five (5) years from execution of the quitclaim deed, and any breach or violation thereof may be enforced by Grantor against Grantee at law or in equity to require the correction of the violation. Grantee further agrees that if Grantor substantially prevails in a legal proceeding to enforce these terms, conditions and restrictions, Grantor shall be entitled to recover damages, reasonable attorney fees, and court costs from Grantee. Grantee's agreement to those terms, conditions and restrictions is a material representation and part of the consideration for this transaction.

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 Code Section 2-26.10 through 2-26.12, the Proposal, and the deed restrictions.

May 26, 2010

Section 6. That the consideration received shall be distributed pursuant to Chapter 34, section 34.06 of the Texas Property Tax Code and applied to the payment of the judgment, court costs, interest, and cost of sale and resale owed to the Taxing Units by the delinquent taxpayer or the amount of delinquent taxes, penalties, the amount secured by any municipal health or safety liens on the Property included in the Warrant application, court costs, interest and cost of seizure and sale owed to the Taxing Units as set forth in the Warrant; any such amount(s) still owed by the delinquent taxpayer to any of the Taxing Units shall remain the personal obligation of the delinquent taxpayer,

Section 7. That the purchaser shall be responsible for the pro rata property taxes assessed from the date of closing for the remaining part of the then current calendar year. This Property shall be placed back on the tax rolls effective as of the date of execution of the deed.

Section 8. 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 and any non-tax liens that may have been filed by the City post-judgment on the Property.

Section 9. That any and all proceeds for the resale of the Property listed on Exhibit A and for the properties previously approved for resale by the City Council where funds were not received and have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County be deposited to General Fund 0001, Agency DEV, Balance Sheet Account 0519.

Section 10. That upon receipt of the consideration, the City Controller is authorized to disburse proceeds of the resale of the Property listed on Exhibit A, in accordance with Chapter 34, section 34.06 of the Texas Property 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 upon receipt of the distribution amounts, the City Controller is authorized to disburse proceeds pursuant to Chapter 34, section 34.06 of the Texas Property Tax Code, which calculations for disbursement shall be provided by the Director of Sustainable Development and Construction, for properties previously approved for resale by the City Council where funds have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County from the account specified in Section 9 above.

Section 12. That any procedures required by Code Section 2-24 that are not required by state law are hereby waived with respect to these conveyances.

May 26, 2010

Section 13. 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 Department

City Attorney's Office

Office of Financial Services/Community Development, 4FN

Office of Property Management

EXHIBIT A**TAX-FORECLOSED (TF) AND/OR SEIZURE WARRANT (SW) PROPERTY RESALE****May 26, 2010**

PARCEL NO.	STREET ADDRESS/ LEGAL DESCRIPTION	TF/SW	VACANT/ IMPROVED	INSTRUMENT NUMBER/ VOLUME AND PAGE	QUALIFIED NON-PROFIT PURCHASER	HOMEOWNER RENTAL LEASE PURCHASE	NUMBER OF DWELLING UNITS	SALE AMOUNT
1	1735 NOMAS Lot 2, Homestead Block D/7116	TF	V	200900289427	Dallas Neighborhood Alliance for Habitat, Inc.	Homeowner	1	\$1,000.00
2	3042 DORRIS TR 22 - 50 X 120, Woodville Block 7068	TF	V	2000140/1960	Dallas Neighborhood Alliance for Habitat, Inc.	Homeowner	1	\$1000.00
							TOTAL	\$2,000.00

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: May 26, 2010
COUNCIL DISTRICT(S): 3, 6
DEPARTMENT: Housing/Community Services
CMO: A. C. Gonzalez, 671-8925
MAPSCO: 42H 42U 43J 44E

SUBJECT

A public hearing to receive comments on the proposed private sale by quitclaim deed of four unimproved properties acquired by the taxing authorities from the Sheriff's Sale to Builders of Hope Community Development Corporation, a qualified non-profit organization; and at the close of the public hearing, authorize **(1)** the private sale under the HB110 process through the Land Transfer Program, as provided for by Section 253.010 of the Texas Local Government Code, by quitclaim deed of four unimproved properties acquired by the taxing authorities from the Sheriff's Sale to Builders of Hope Community Development Corporation, a qualified non-profit organization; and **(2)** execution of a release of non-tax liens included in the foreclosure judgment and post-judgment non-tax liens, if any (list attached) - Revenue: \$8,774

BACKGROUND

This item calls for a public hearing to allow the public an opportunity to comment on the proposed private sale of four (4) unimproved properties and authorizes the private sale under the HB110 process through the Land Transfer Program, as provided for by Section 34.015 of the Texas Property Tax Code, which section was subsequently redesignated as Section 253.010 of the Texas Local Government Code, by quitclaim deed of four (4) unimproved properties. These properties were foreclosed by the Sheriff's Department for unpaid taxes pursuant to judgments or seizure warrants from a District Court. These properties are being sold to a qualified non-profit organization that provides affordable housing. Builders of Hope Community Development Corporation will construct four (4) single-family homes containing approximately 1,100-2,100 square feet each for purchase by a low to moderate income homebuyer at the proposed sales price of \$96,000 - \$150,000 each. The anticipated commencement date of construction is May 2013.

BACKGROUND (continued)

The 1997 Texas State Legislature amended Chapter 34 of the Texas Property Tax Code to provide for an alternative manner of sale of tax foreclosed and seized properties to qualified non-profit organizations. Subsequently, Texas Property Tax Code Section 34.015 was redesignated as Local Government Code Section 253.010. In 1998, City Council amended the City Code by adding provisions to Section 2-26 that provided for implementation of this program.

A sign indicating the time and place of the public hearing and private sale was placed on the property three weeks prior to the public hearing. Notification of the public hearing and private sale was mailed to property owners within 200 feet of the property two weeks prior to the public hearing. A notice of the public hearing and private sale was published in the Dallas Morning News ten days prior to the public hearing.

The quitclaim to this property will include deed restrictions which prohibit the placement of industrialized housing on the property.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

on April 28, 2010, the City Council authorized a public hearing and proposed sale of four unimproved properties by Resolution No. 10-1055.

FISCAL INFORMATION

Revenue - \$8,774

OWNER

Builders of Hope Community Development Corporation

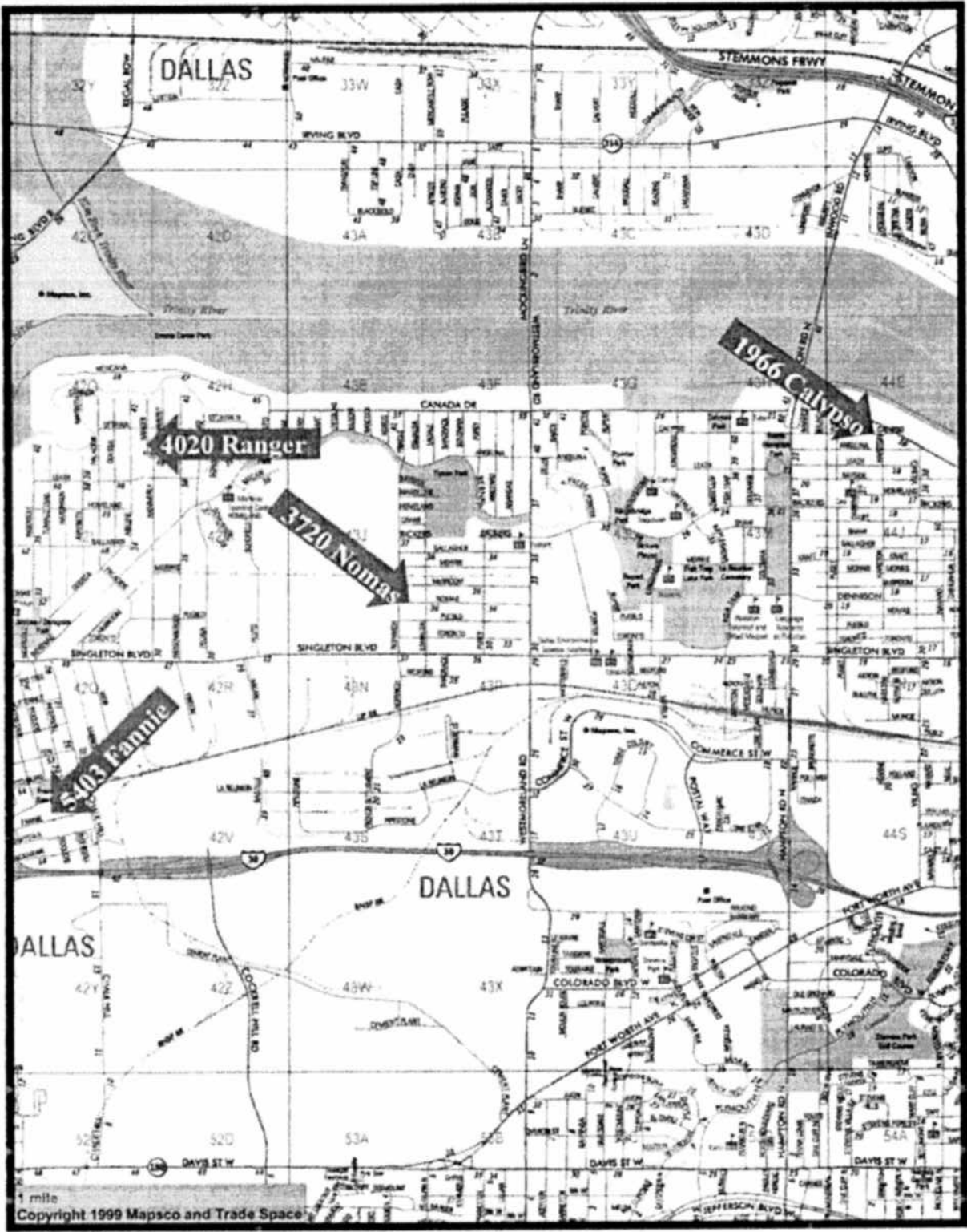
Norman Henry, President

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 Value</u>	<u>Sale Amount</u>	<u>Vac/ Imp</u>	<u>Zoning</u>	<u>Council District</u>
1.	1966 Calypso	Builders of Hope Community Development Corporation	44E	\$7,000	\$1,000	V	R-5(A)	3
2.	5403 Fannie	Builders of Hope Community Development Corporation	42U	\$18,000	\$5,744.70	V	R-5(A)	6
3.	3720 Nomas	Builders of Hope Community Development Corporation	43K	\$12,000	\$1,000	V	R-5(A)	3
4.	4020 Ranger	Builders of Hope Community Development Corporation	42H	\$12,000	\$1,000	V	R-5(A)	6



4020 Ranger

3720 Normas

5403 Fannie

1966 Calypso

1 mile
Copyright 1999 Mapsco and Trade Space

May 26, 2010

WHEREAS, the City of Dallas, for itself and as trustee, on behalf of the taxing units named as a party to a judgment or in an application for a seizure warrant for delinquent taxes ("Taxing Units"), received tax title to certain properties by Sheriff's Deed, identified on "Exhibit A", attached hereto and made a part hereof, by legal description and the volume and page number of said deed recorded in the real property records of the county in which the property is located, ("Property"); and

WHEREAS, pursuant to the provisions of Chapters 33 and 34 of the Texas Property Tax Code, the City of Dallas ("City") may resell the tax foreclosed Property by private sale, subject to the consent of the other taxing units; and

WHEREAS, the City has given thirty (30) days notice to Dallas County and the Dallas Independent School District that the Property was acquired by said Sheriff's Deed and is proposed for resale to a nonprofit organization for the development of low-income housing; and

WHEREAS, as authorized by Section 253.010 of the Texas Local Government Code, the City desires to sell the Property to a qualified "nonprofit organization" for the development of "affordable housing" for low income persons, as those terms are defined for the purposes of this resolution in Section 2-26.5 of the Dallas City Code ("Code"); and

WHEREAS, the City has received written proposals which contain proposed end uses and time frames from the qualified nonprofit organization to purchase the Property by private sale ("Proposal") at a fixed price of \$1,000.00 for up to 7,500 square feet of land purchased under a single Proposal, plus \$0.133 for each additional square foot of land purchased under the Proposal, all as indicated on "Exhibit A";

WHEREAS, the City Council has previously approved the resale of other properties where funds were not received and have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County; and

WHEREAS, the proceeds of the resale will be distributed in accordance with Chapter 34, section 34.06 of the Texas Property Tax Code; **NOW, THEREFORE,**

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

Section 1. That the Proposal identified on Exhibit "A" is approved by the City.

May 26, 2010

Section 2. That upon receipt of the monetary consideration from the qualified nonprofit organization ("Requestor") for the Property on the list as specified on Exhibit "A", and upon approval of Requestor's Proposal by the governing bodies of the other affected Taxing Units which own the Property, the City Manager is hereby authorized to execute a Quitclaim Deed, upon approval as to form by the City Attorney and attested by the City Secretary, quitclaiming the Property to the Requestor, subject to the right of redemption, if any, and the possibility of reverter with right of re-entry, and to the terms and conditions of Code Section 2-26.10 through 2-26.12 and the Proposal.

Section 3. That the quitclaim deeds to this Property will contain deed restrictions requiring the purchaser to:

- (1) Restrict the sale and resale of owner-occupied property to low-income individuals or families for five (5) years after the date of filing,
- (2) Require the nonprofit organization to develop the proposed housing unit within three (3) years after receiving the quitclaim deed, and
- (3) Require any low-income individual or family to maintain each housing unit and all improvements on the land during the five (5) year period.

Section 4. That the quitclaim deeds to this Property will contain a condition that the quitclaim is also subject to Grantee's representation and agreement that Grantee did not purchase the Property on behalf of a Prohibited Person, as hereinafter defined, and that Grantee will not sell or lease the Property to a Prohibited Person. A "Prohibited Person" shall mean any party who was named as a defendant in the legal proceedings at which the City obtained a final judgment in a District Court in the county in which the land is located for delinquent taxes and an order to foreclose its tax lien on the property or person in the Judgment or Seizure Tax Warrant, issued in a District Court in the county in which the land is located, 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 (as applicable). Grantee's agreement shall be for five (5) years from execution of the quitclaim deed, and any breach or violation thereof may be enforced by Grantor against Grantee at law or in equity to require the correction of the violation. Grantee further agrees that if Grantor substantially prevails in a legal proceeding to enforce these terms, conditions and restrictions, Grantor shall be entitled to recover damages, reasonable attorney fees, and court costs from Grantee. Grantee's agreement to those terms, conditions and restrictions is a material representation and part of the consideration for this transaction.

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 Code Section 2-26.10 through 2-26.12, the Proposal, and the deed restrictions.

May 26, 2010

Section 6. That the consideration received shall be distributed pursuant to Chapter 34, section 34.06 of the Texas Property Tax Code and applied to the payment of the judgment, court costs, interest, and cost of sale and resale owed to the Taxing Units by the delinquent taxpayer or the amount of delinquent taxes, penalties, the amount secured by any municipal health or safety liens on the Property included in the Warrant application, court costs, interest and cost of seizure and sale owed to the Taxing Units as set forth in the Warrant; any such amount(s) still owed by the delinquent taxpayer to any of the Taxing Units shall remain the personal obligation of the delinquent taxpayer,

Section 7. That the purchaser shall be responsible for the pro rata property taxes assessed from the date of closing for the remaining part of the then current calendar year. This Property shall be placed back on the tax rolls effective as of the date of execution of the deed.

Section 8. 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 and any non-tax liens that may have been filed by the City post-judgment on the Property.

Section 9. That any and all proceeds for the resale of the Property listed on Exhibit A and for the properties previously approved for resale by the City Council where funds were not received and have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County be deposited to General Fund 0001, Agency DEV, Balance Sheet Account 0519.

Section 10. That upon receipt of the consideration, the City Controller is authorized to disburse proceeds of the resale of the Property listed on Exhibit A, in accordance with Chapter 34, section 34.06 of the Texas Property 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 upon receipt of the distribution amounts, the City Controller is authorized to disburse proceeds pursuant to Chapter 34, section 34.06 of the Texas Property Tax Code, which calculations for disbursement shall be provided by the Director of Sustainable Development and Construction, for properties previously approved for resale by the City Council where funds have not been disbursed prior to the April 1, 2001 Tax Collection Consolidation with Dallas County from the account specified in Section 9 above.

Section 12. That any procedures required by Code Section 2-24 that are not required by state law are hereby waived with respect to these conveyances.

May 26, 2010

Section 13. 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

Office of Property Management

EXHIBIT A**TAX-FORECLOSED (TF) AND/OR SEIZURE WARRANT (SW) PROPERTY RESALE****May 26, 2010**

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	1966 CALYPSO Lot 2, Roosevelt Manor 2nd Inst., Block 9/7130	TF	V	201000081708	Builders of Hope Community Development Corporation	Homeowner	1	\$1,000.00
2	5403 FANNIE 140X310 FT Tract, H.J. Hatton, Block 7184	TF	V	201000081707	Builders of Hope Community Development Corporation	Homeowner	1	\$5,774.70
3	3720 NOMAS Lot 6, Eagle Ford Gardens, Block F/7152	TF	V	201000081712	Builders of Hope Community Development Corporation	Homeowner	1	\$1,000.00
4	4020 RANGER Lot 7, Joe A Irwin No. 2, Block 18/7163	TF	V	201000081698	Builders of Hope Community Development Corporation	Homeowner	1	\$1,000.00
							TOTAL	\$8,774.70