

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: October 26, 2016
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: Alan Sims, Chief of Neighborhood Plus, 670-1611
MAPSCO: 55B

SUBJECT

Authorize **(1)** approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by B & J Custom Homes Inc. DBA Redline Development Group for the construction of houses; **(2)** the sale of 7 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to B & J Custom Homes Inc. DBA Redline Development Group; and **(3)** execution of a release of lien for any non-tax liens on the 7 properties that may have been filed by the City - Financing: No cost consideration to the City

BACKGROUND

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of housing developments. The City Council then established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C on January 28, 2004.

B & J Custom Homes Inc. DBA Redline Development Group has submitted a proposal and development plan to DHADC for 7 lots shown on the attached list. The DHADC board of directors has approved the development plan and sale of the 7 lots, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by B & J Custom Homes Inc. DBA Redline Development Group to DHADC, the sale of those lots from DHADC to B & J Custom Homes Inc. DBA Redline Development Group and the release of lien for any non-tax liens that may have been filed by the City.

BACKGROUND (continued)

The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to B & J Custom Homes Inc. DBA Redline Development Group will contain a reverter that returns the property to DHADC if a construction permit is not applied for by B & J Custom Homes Inc. DBA Redline Development Group and construction financing is not closed within three years of conveyance.

B & J Custom Homes Inc. DBA Redline Development Group will build single family houses on the lots. The approximate square footage and sales price of the houses will be from 1,400 to 2,000 square feet and from \$175,000 up. The lots will be deed restricted for sale to eligible families.

DHADC will receive \$35,000.00 for the sales price of the vacant lots to B & J Custom Homes Inc. DBA Redline Development Group, as calculated from the 2015-16 Land Bank Plan approved by City Council.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2004, by Resolution No. 04-0458, City Council established DHADC as its land bank for the purpose of acquiring, holding and transferring unimproved real property for the purpose of promoting the development of housing as allowed under Chapter 379C of the Texas Local Government Code.

On September 22, 2016, the DHADC board of directors approved the development plan and sale of 7 lots from DHADC to B & J Custom Homes Inc. DBA Redline Development Group.

On September 19, 2016, the Housing Committee was briefed regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program.

Information about this item will be provided to the Housing Committee on October 17, 2016.

FISCAL INFORMATION

No cost consideration to the City

DEVELOPER

B & J Custom Homes Inc. DBA Redline Development Group

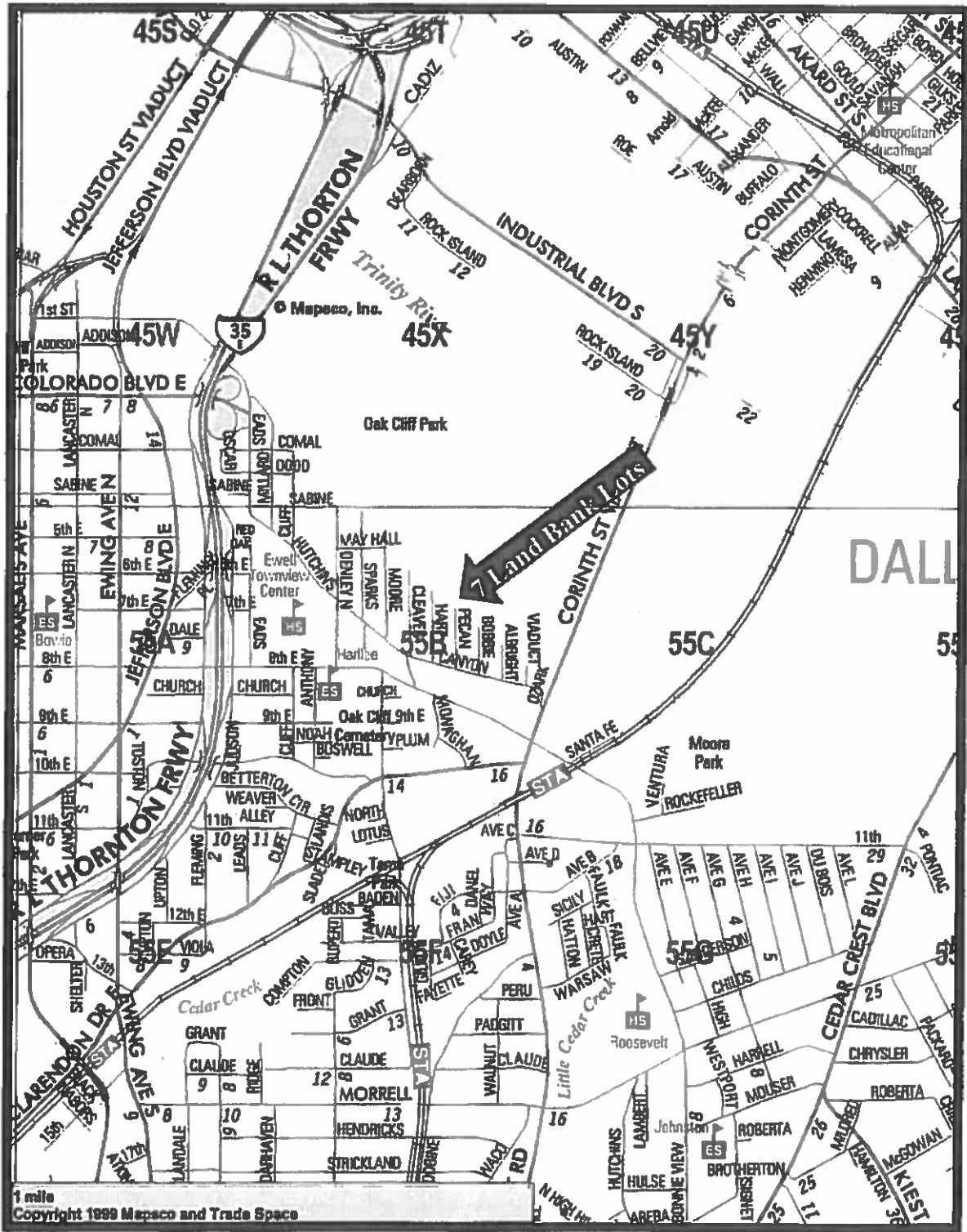
Frederick A. Brown, President

MAP

Attached

**Land Bank (DHADC) Sale of Lots to
B & J Custom Homes Inc. DBA Redline Development Group**

| <u>Property Address</u> | <u>Mapsco</u> | <u>Council District</u> | <u>Amount of Non-Tax Liens</u> |
|--------------------------------|----------------------|--------------------------------|---------------------------------------|
| 1. 401 Cleaves | 55B | 4 | \$22,565.61 |
| 2. 435 Cleaves | 55B | 4 | \$ 8,614.11 |
| 3. 437 Cleaves | 55B | 4 | \$ 7,998.58 |
| 4. 407 Hart | 55B | 4 | \$ 8,191.49 |
| 5. 409 Hart | 55B | 4 | \$15,737.05 |
| 6. 402 Pecan | 55B | 4 | \$ 5,877.17 |
| 7. 400 Bobbie | 55B | 4 | \$ 2,289.34 |



MAPSCO 55B

October 26, 2016

WHEREAS, on January 28, 2004, City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C, by Resolution No. 04-0458; and

WHEREAS, B & J Custom Homes Inc. DBA Redline Development Group submitted a proposal and development plan to DHADC for 7 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

WHEREAS, City Council desires to approve the development plan shown on Exhibit "B" indicating the approximate square footage and sales price ranges of the proposed houses submitted by B & J Custom Homes Inc. DBA Redline Development Group and authorize the sale of 7 lots from DHADC to B & J Custom Homes Inc. DBA Redline Development Group to build houses;

NOW, THEREFORE,

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

Section 1. That the development plan shown on Exhibit "B" indicating the approximate square footage and sales price range of the proposed houses submitted by B & J Custom Homes Inc. DBA Redline Development Group and the sale of 7 lots shown on Exhibit "A" from DHADC to B & J Custom Homes Inc. DBA Redline Development Group is approved.

Section 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a Deed without Warranty and releases of lien for any non-tax liens that may have been filed by the City on the lots shown on Exhibit "A".

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

EXHIBIT "A"

| LAND BANK PROPERTY | | | | |
|---------------------------|---|---|----------------------------------|--------------------|
| PARCEL NUMBER | STREET ADDRESS LEGAL DESCRIPTION | QUALIFIED PURCHASER | NUMBER OF HOMEOWNER UNITS | SALE AMOUNT |
| 1 | 401 Cleaves Lot 1 and the South 10 Feet of Lot 2, Meadowmere Addition Block 1/7676 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 2 | 435 Cleaves Lot 5, Meadowmere Annex Addition Block 1/7678 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 3 | 437 Cleaves Lot 5, Meadowmere Annex Addition Block 1/7678 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 4 | 407 Hart North 35 Feet of Lot 3, Meadowmere Addition Block 3/7677 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 5 | 409 Hart Lot 4, Meadowmere Addition Block 3/7677 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 6 | 402 Pecan Lot 2, Meadowmere No. 3 Addition Block 6/7679 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| 7 | 400 Bobbie Lot 1, Meadowmere No. 3 Addition Block 7/7679 | B & J Custom Homes Inc. DBA Redline Development Group | 1 | \$5,000.00 |
| TOTAL | | | | \$35,000.00 |

EXHIBIT B

SECTION II: DEVELOPMENT PLAN

A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

(1) Number of lots requested in this proposal 7

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

| | |
|--------------------------|---------------------------|
| <u>400 Bobbie Street</u> | <u>401 Cleaves Street</u> |
| <u>402 Pecan Street</u> | <u>437 Cleaves Street</u> |
| <u>407 Hart Street</u> | <u>435 Cleaves Street</u> |
| <u>409 Hart Street</u> | |

B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

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

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

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

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

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

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

Number of homes to be built 7
Square Footage range of each home 1400/sf - 2000/sf
Number of Bedrooms/Baths in each home 3+ / 2+
Number of Garages 1&2 Number of Carports _____ Detached X Attached X
Type of Exterior Veneer Various Materials- Brick etc. Which sides All Sides
Your Sales Price range without Subsidies to Qualified Low Income Buyer \$175,000 +

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

PROVIDE FLOOR PLANS AND ELEVATIONS.

C. CONSTRUCTION TIMETABLE

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

Start of Construction: 1-360 days after receiving the deed to the property

Completion of Construction: 90-120 days after start of construction

Sale of first affordable housing unit to low income household: 60 days after completion of construction

Sale of last affordable unit to low income households: 360 days after completion of first house

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: October 26, 2016
COUNCIL DISTRICT(S): 6
DEPARTMENT: Housing/Community Services
CMO: Alan Sims, Chief of Neighborhood Plus, 670-1611
MAPSCO: 42M 43M 44P

SUBJECT

Authorize (1) approval of the development plan submitted to the Dallas Housing Acquisition and Development Corporation by King Home Builders, LLC for the construction of houses; (2) the sale of 4 vacant lots (list attached) from Dallas Housing Acquisition and Development Corporation to King Home Builders, LLC; and (3) execution of a release of lien for any non-tax liens on the 4 properties that may have been filed by the City – Financing: No cost consideration to the City

BACKGROUND

On June 18, 2003, Governor Perry signed the Urban Land Bank Demonstration Program Act. The Act allows the governing body of a municipality to adopt an Urban Land Bank Demonstration Program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale to a land bank for the purpose of housing developments. The City Council then established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C on January 28, 2004.

King Home Builders, LLC has submitted a proposal and development plan to DHADC for 4 lots shown on the attached list. The DHADC board of directors has approved the development plan and sale of the 4 lots, subject to City Council approval. This item will authorize City Council approval of the development plan submitted by King Home Builders, LLC to DHADC, the sale of those lots from DHADC to King Home Builders, LLC and the release of lien for any non-tax liens that may have been filed by the City. The vacant lots were purchased by DHADC from a Sheriff's sale pursuant to foreclosure of tax liens and any non-tax liens. DHADC's Deed without Warranty to King Home Builders, LLC will contain a reverter that returns the property to DHADC if a construction permit is not applied for by King Home Builders, LLC and construction financing is not closed within three years of conveyance.

BACKGROUND (continued)

King Home Builders, LLC will build single family houses on the lots. The approximate square footage and sales price of the houses will be from 1,300 to 1,650 square feet and from \$135,000 to \$175,000. The lots will be deed restricted for sale to eligible families.

DHADC will receive \$20,000.00 for the sales price of the vacant lots to King Home Builders, LLC, as calculated from the 2015-16 Land Bank Plan approved by City Council.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2004, by Resolution No. 04-0458, City Council established DHADC as its land bank for the purpose of acquiring, holding and transferring unimproved real property for the purpose of promoting the development of housing as allowed under Chapter 379C of the Texas Local Government Code.

On August 25, 2016, the DHADC board of directors approved the development plan and sale of 4 lots from DHADC to King Home Builders, LLC.

On September 19, 2016, the Housing Committee was briefed regarding the Urban Land Bank Demonstration Program which outlined the process and status of the program.

Information about this item will be provided to the Housing Committee on October 17, 2016.

FISCAL INFORMATION

No cost consideration to the City

DEVELOPER

King Home Builders, LLC

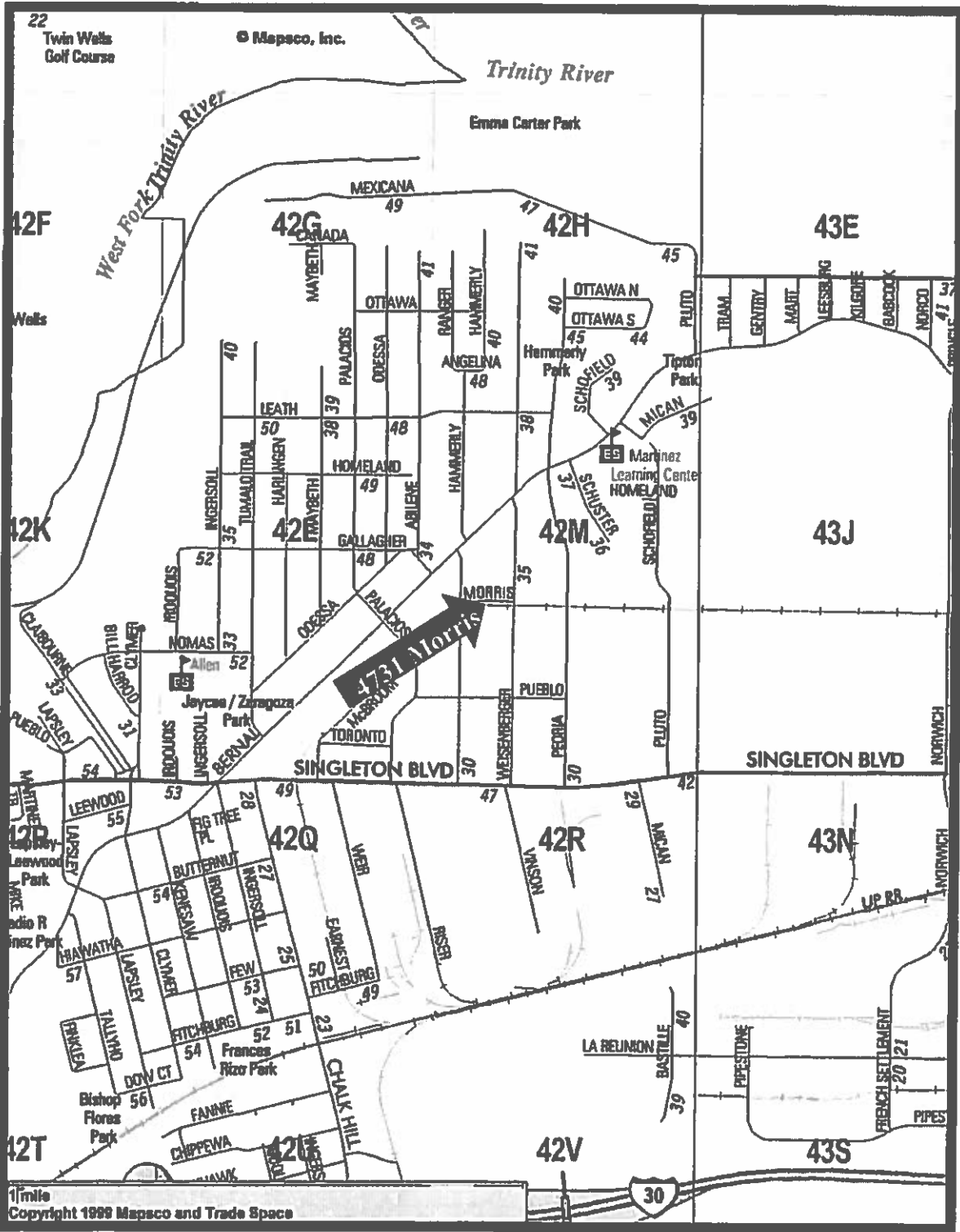
Jorge G. Lariz, Managing Member

MAPS

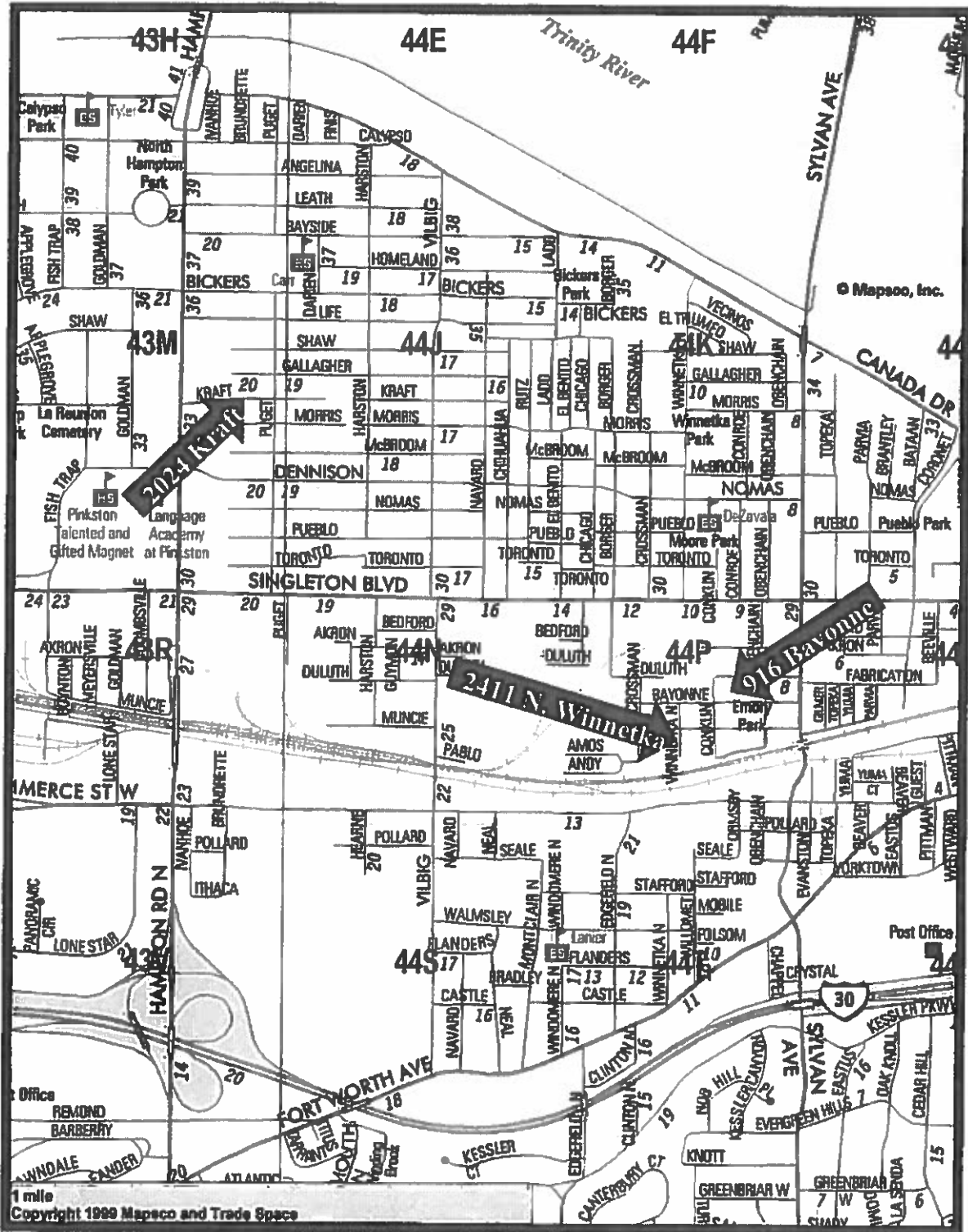
Attached

**Land Bank (DHADC) Sale of Lots to
King Home Builders, LLC**

| <u>Property Address</u> | <u>Mapsco</u> | <u>Council District</u> | <u>Amount of Non-Tax Liens</u> |
|--------------------------------|----------------------|--------------------------------|---------------------------------------|
| 1. 916 Bayonne | 44P | 6 | \$8,986.91 |
| 2. 4731 Morris | 42M | 6 | \$5,604.91 |
| 3. 2024 Kraft | 43M | 6 | \$1,748.65 |
| 4. 2411 N. Winnetka | 44P | 6 | \$2,709.18 |



MAPSCO 42M



MAPSCO 43M & 44P

October 26, 2016

WHEREAS, on January 28, 2004, City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank for the purpose of acquiring, holding and transferring unimproved real property under Subtitle A, Title 12, Local Government Code, Chapter 379C, by Resolution No. 04-0458; and

WHEREAS, King Home Builders, LLC submitted a proposal and development plan to DHADC for 4 lots shown on Exhibit "A" and the DHADC Board has approved the development plan and sale, subject to City Council approval; and

WHEREAS, City Council desires to approve the development plan shown on Exhibit "B" indicating the approximate square footage and sales price ranges of the proposed houses submitted by King Home Builders, LLC and authorize the sale of 4 lots from DHADC to King Home Builders, LLC to build houses;

NOW, THEREFORE,

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

Section 1. That the development plan shown on Exhibit "B" indicating the approximate square footage and sales price range of the proposed houses submitted by King Home Builders, LLC and the sale of 4 lots shown on Exhibit "A" from DHADC to King Home Builders, LLC is approved.

Section 2. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute a Deed without Warranty and releases of lien for any non-tax liens that may have been filed by the City on the lots shown on Exhibit "A".

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

EXHIBIT "A"

| LAND BANK PROPERTY | | | | |
|---------------------------|---|----------------------------|----------------------------------|--------------------|
| PARCEL NUMBER | STREET ADDRESS LEGAL DESCRIPTION | QUALIFIED PURCHASER | NUMBER OF HOMEOWNER UNITS | SALE AMOUNT |
| 1 | 916 Bayonne Street Lot 6, Z. E. Coombs West End Addition Block 5/7265 | King Home Builders, LLC | 1 | \$5,000.00 |
| 2 | 4731 Morris Street Lot 1, Weissenberger Gardens Addition Revised Block 10/7158 | King Home Builders, LLC | 1 | \$5,000.00 |
| 3 | 2024 Kraft Street East 31 Feet of Lot 2 & West 15 Feet of Lot 3, Victory Gardens No 5 Addition, Section 2 Block 23/7127 | King Home Builders, LLC | 1 | \$5,000.00 |
| 4 | 2411 N. Winnetka Avenue Lots 1 & 2, Z E Coombs West End Addition Block 10/7265 | King Home Builders, LLC | 1 | \$5,000.00 |
| TOTAL | | | | \$20,000.00 |

EXHIBIT B

SECTION II: DEVELOPMENT PLAN

A. DESCRIPTION OF THE LAND REQUESTED FOR DEVELOPMENT

- (1) Number of lots requested in this proposal. 4
- (2) Provide the property address and legal description of the land requested (attach extra sheets if necessary) (the "Property").

916 Bayonne
4731 Morris
2024 Kraft
2411 N. Winnetka

B. DESCRIPTION OF PROPOSED HOUSES ENTITY WILL CONSTRUCT

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

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

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

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

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

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

Number of homes to be built 4
Square Footage range of each home 1300 - 1650
Number of Bedrooms/Baths in each home 4 / 2
Number of Garages 0 Number of Carports - Detached - Attached -
Type of Exterior Veneer Brick + Siding Which sides 75% siding 25% Brick
Your Sales Price range without Subsidies to Qualified Low Income Buyer 135 - 175k

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

PROVIDE FLOOR PLANS AND ELEVATIONS.

C. CONSTRUCTION TIMETABLE

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

Start of Construction: 10 days after receiving the deed to the property

Completion of Construction: 60 days after start of construction

Sale of first affordable housing unit to low income household: ^{within} 30 days after completion of construction

Sale of last affordable unit to low income households: 15 days after completion of first house

KEY FOCUS AREA: Clean, Healthy Environment
AGENDA DATE: October 26, 2016
COUNCIL DISTRICT(S): All
DEPARTMENT: Housing/Community Services
CMO: Alan Sims, Chief of Neighborhood Plus, 670-1611
MAPSCO: N/A

SUBJECT

Authorize Supplemental Agreement No. 2 to the FY 2015-16 contract with Health Services of North Texas, Inc. to provide scattered site housing assistance for persons with HIV/AIDS, to revise the Statement of Services and budget to reallocate funding in the total amount of \$27,175 from the Emergency/Tenant Based Rental Assistance - Housing Services and Program Administration/Project Sponsors budget categories to the Emergency/Tenant Based Rental Assistance - Financial Assistance budget category with no net change in the contract amount - Financing: No cost consideration to the City

BACKGROUND

On August 12, 2015, City Council by Resolution No. 15-1369 approved the contract with Health Services of North Texas, Inc. to enter into the second twelve month renewal option to provide scattered site housing under the Housing Opportunities for Persons with AIDS (HOPWA) Program.

Under the HOPWA program, Health Services of North Texas, Inc. provides short-term emergency assistance and long-term tenant based rental assistance to low income persons living with HIV/AIDS primarily in Collin, Delta, Denton, Ellis, Hunt, Kaufman, and Rockwall counties. In addition to housing assistance, HOPWA clients also receive supportive services through case managers at each location who ensure that clients have access to other services in the Dallas area.

Health Services of North Texas, Inc. is a non-profit agency located in Denton, with offices also located in Plano, providing quality medical and support services to persons living with HIV/AIDS in the rural and outer urban communities of North Texas. The agency was founded in 1988, and has been providing HOPWA scattered site housing assistance through Tarrant County since 1995, and through Dallas County since 1996.

BACKGROUND (Continued)

The agency's programs include outpatient medical care assistance; prescription and insurance assistance; HOPWA housing assistance; behavioral health counseling; medical and comprehensive case management assistance; food pantries; and transportation.

The agency will have funds remaining in the Emergency/Tenant Based Rental Assistance E/TBRA - Housing Services and Program Administration/Project Sponsors budget categories, and will use those funds to meet rental assistance needs. Accordingly, the agency has requested to reallocate funding to the appropriate budget category. Approval of this item will reallocate funding as listed below, with no net change in the contract amount.

| | Original | Change | Revised |
|-------------------------------|------------------|-------------------|------------------|
| E/TBRA - Financial Assistance | \$405,000 | \$27,175 | \$432,175 |
| E/TBRA - Housing Services | \$134,000 | (\$22,919) | \$111,081 |
| Prog Admin/Project Sponsors | <u>\$ 37,730</u> | <u>(\$ 4,256)</u> | <u>\$ 33,474</u> |
| | \$576,730 | \$ 0 | \$576,730 |

PERFORMANCE MEASURES

Number of Persons Assisted

| | 2015-16 <u>Goal</u> | 2015-16 <u>Actual</u> |
|--|------------------------|--------------------------|
| Emergency-unduplicated clients served | 45 | 57 |
| Tenant-based-unduplicated clients served | 40 | 49 |
| Total-unduplicated clients served | 85 | 106 |

OUTCOME MEASURES

The intended outcome of HOPWA facility based housing assistance, as required by HUD, is: Housing Stability, measured by the percentage of clients who remain in stable housing at the end of each program year.

| | 2015-16 <u>Goal</u> | 2015-16 <u>Actual</u> |
|--|------------------------|--------------------------|
| Emergency - percent in stable housing | 92% | TBD% |
| Tenant-based - percent in stable housing | 92% | 98% |

In FY 2015-16, the agency also reported data on access to care and support per HOPWA requirements.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 13, 2014, City Council authorized the first twelve-month renewal option to the contract with Health Services of North Texas, Inc. for scattered site housing assistance, by Resolution No. 14-1224.

On August 12, 2015, City Council authorized the second twelve-month renewal option to the contract with Health Services of North Texas, Inc. for scattered site housing assistance, by Resolution No. 15-1369.

On April 27, 2016, City Council authorized Supplemental Agreement No. 1 to the FY 2014-15 contract with Health Services of North Texas, Inc. for scattered site housing assistance, by Resolution No. 16-0634.

On October 11, 2016, City Council authorized a twelve-month contract, with two twelve-month renewal options, with Health Services of North Texas, Inc. for scattered site housing assistance, by Resolution No. 16-1663.

Information about this item will be provided to the Housing Committee on October 17, 2016.

FISCAL INFORMATION

No cost consideration to the City

ETHNIC COMPOSITION

Health Services of North Texas, Inc. (Board)

| | | | |
|-----------------|---|---------------|---|
| Black Female | 1 | Black Male | 0 |
| White Female | 1 | White Male | 8 |
| Hispanic Female | 2 | Hispanic Male | 1 |
| Other Female | 1 | Other Male | 1 |

OWNER(S)

Health Services of North Texas, Inc.

Board of Directors

Glen McKenzie, President
Randy Robinson, Vice President
Gloria Herron, Secretary
David Garcia, Treasurer
Louise Baldwin
Justin Coury
Michael Foster
Cordella Ikegwuoha
Herman Oosterwijk
Clara Sanchez
Derrell Bulls
Trang Dang-Le
Jerry Garrett
Kelvyn McCarley
Dean Perkins

October 26, 2016

WHEREAS, Housing Opportunities for Persons with AIDS (HOPWA) grant funds received from the U.S. Department of Housing and Urban Development (HUD) have been designated to provide services to low-income persons with HIV/AIDS and HIV-related illness and their families; and

WHEREAS, the FY 2015-16 Consolidated Plan Budget includes the HOPWA grant from HUD in the amount of \$5,637,374; and

WHEREAS, the City of Dallas entered into the FY 2015-16 contract with Health Services of North Texas, Inc. to provide scattered site housing assistance services to eligible persons for the period October 1, 2015 through September 30, 2016, in an amount not to exceed \$576,730, by Resolution No. 15-1369; and

WHEREAS, Health Services of North Texas, Inc. has requested to reallocate funding in the total amount of \$27,175 from the Emergency/Tenant Based Rental Assistance (E/TBRA) - Housing Services and Program Administration/Project Administration budget categories to the E/TBRA - Financial Assistance budget category, with no net change in the contract amount;

NOW, THEREFORE,

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

Section 1. That following approval as to form by the City Attorney, the City Manager is hereby authorized to enter into Supplemental Agreement No. 2 to the FY 2015-16 contract with Health Services of North Texas, Inc. to provide scattered site housing assistance for persons with HIV/AIDS, to revise the Statement of Services and budget to reallocate funding in the total amount of \$27,175 from the Emergency/Tenant Based Rental Assistance (E/TBRA) - Housing Services and Program Administration/Project Sponsors budget categories to the E/TBRA - Financial Assistance budget category with no net change in the contract amount, and execute any and all documents required by the agreement.

Section 2. That the Chief Financial Officer is hereby authorized to reallocate funds as follows:

| | | Object Encumbrance | | | | | |
|-------------|-------------|--------------------|---------------|--------------------|-----------------|---------------|----------------|
| <u>Fund</u> | <u>Unit</u> | <u>Code</u> | <u>Number</u> | <u>Description</u> | <u>Original</u> | <u>Change</u> | <u>Revised</u> |
| HW15 | 670H | 3099 | CTGH184724 | E/TBRA - Fin Asst | \$405,000 | \$27,175 | \$432,175 |
| HW15 | 671H | 3099 | CTGH184725 | E/TBRA - Hsg Serv | \$134,000 | (\$22,919) | \$111,081 |
| HW15 | 676H | 3099 | CTGH184726 | Prog Admin/Proj Sp | \$ 37,730 | (\$ 4,256) | \$ 33,474 |
| | | | | Total | \$576,730 | \$ 0 | \$576,730 |

October 26, 2016

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: October 26, 2016
COUNCIL DISTRICT(S): 4
DEPARTMENT: Housing/Community Services
CMO: Alan Sims, Chief of Neighborhood Plus, 670-1611
MAPSCO: 55B

SUBJECT

A public hearing to receive comments on the proposed sale of nine unimproved properties acquired by the taxing authorities from the Sheriff to Dallas Housing Acquisition and Development Corporation, a qualified non-profit organization; and, at the close of the public hearing, authorize the City Manager to: (1) quitclaim nine unimproved properties to Dallas Housing Acquisition and Development Corporation, using the HB110 process of the City's Land Transfer Program; and (2) release the City's non-tax liens included in the foreclosure judgment together with post-judgment non-tax liens, if any (list attached) - Revenue: \$9,000

BACKGROUND

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

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

BACKGROUND (continued)

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

Dallas Housing Acquisition and Development Corporation (DHADC) will construct nine (9) single-family homes on the unimproved HB110 process-eligible, Land Transfer Program properties, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyers with construction to begin in the Spring of 2017.

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

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

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 28, 2016, City Council authorized a public hearing to receive comments on the proposed sale by quitclaim deed of nine unimproved properties acquired by the taxing authorities from the Sheriff to DHADC, by Resolution No. 16-1619.

Information about this item will be provided to the Housing Committee on October 17, 2016.

FISCAL INFORMATION

Revenue - \$9,000

MAP

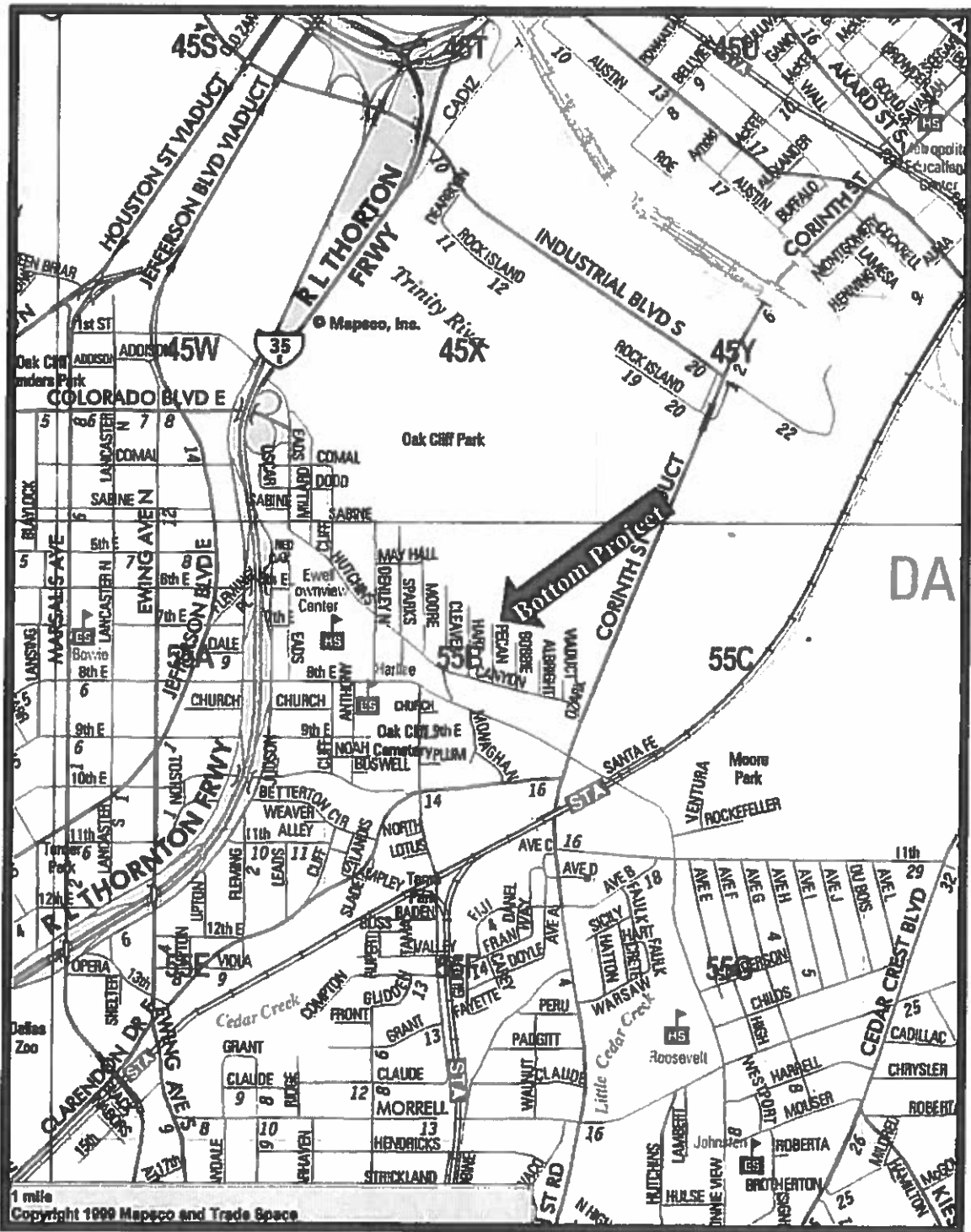
Attached

Tax Foreclosure and Seizure Property Resale

| <u>Parcel No.</u> | <u>Address</u> | <u>Non-Profit Organization</u> | <u>Mapsco</u> | <u>DCAD Amount</u> | <u>Sale Amount</u> | <u>Vac/ Imp</u> | <u>Zoning</u> | <u>Council District</u> |
|-------------------|----------------|--|---------------|--------------------|--------------------|-----------------|---------------|-------------------------|
| 1. | 402 Cleaves | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 2. | 408 Cleaves | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 3. | 431 Cleaves | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 4. | 438 Cleaves | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 5. | 457 Hart | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 6. | 407 Pecan | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5 (A) | 4 |

Tax Foreclosure and Seizure Property Resale

| <u>Parcel No.</u> | <u>Address</u> | <u>Non-Profit Organization</u> | <u>Mapsco</u> | <u>DCAD Amount</u> | <u>Sale Amount</u> | <u>Vac/ Imp</u> | <u>Zoning</u> | <u>Council District</u> |
|-------------------|----------------|--|---------------|--------------------|--------------------|-----------------|---------------|-------------------------|
| 7. | 408 Pecan | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 8. | 411 Pecan | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |
| 9. | 405 Albright | Dallas Housing Acquisition and Development Corporation | 55B | \$7,000 | \$1,000.00 | V | R-5(A) | 4 |



MAPSCO 55B

October 26, 2016

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

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

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

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

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

WHEREAS, Dallas Housing Acquisition and Development Corporation will construct nine (9) single-family homes on the unimproved HB110 process-eligible, Land Transfer Program properties, identified on Exhibit A, attached to the resolution, for purchase by low to moderate income homebuyers with construction to begin in the Spring of 2017; and

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

NOW, THEREFORE,

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

October 26, 2016

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

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

Section 3. That the quitclaim deed shall contain:

- (a) A possibility of reverter with right of re-entry if the Director of Housing/Community Services determines that the non-profit organization:
 - (i) has failed to take possession of the property within ninety calendar days after receiving the quitclaim deed;
 - (ii) has failed to complete construction of housing on the property within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code;
 - (iii) is unable to develop the land in compliance with its proposal because a request for a zoning change has been denied;
 - (iv) has incurred a lien on the property because of violations of the Code or other City ordinances within three years after receiving the quitclaim deed; and
 - (v) has sold, conveyed, or transferred the property without the consent of the City and the other affected taxing jurisdictions within three years after receiving the quitclaim deed.
- (b) Deed restrictions requiring the purchaser to:
 - (i) restrict the sale and resale of owner-occupied property to low to moderate income individuals or families for five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located;

October 26, 2016

- (ii) require the non-profit organization to develop all proposed housing units on the property in accordance with the Code and all applicable City ordinances and state and federal laws within three years after receiving the quitclaim deed or by the end of any extended development period approved by the City Council in accordance with Section 2-26.6(c) of the Code, and to obtain inspections and approval of the housing units by the City before initial occupancy; and
 - (iii) require any low-income individual or family who purchases a housing unit on a property to maintain the housing unit in accordance with the Code and all applicable City ordinances and state and federal laws for a period of five years after the date the deed from the non-profit organization to the initial homebuyer is filed in the real property records of the county in which the property is located.
- (c) An indemnification by the non-profit organization of the City and other affected taxing jurisdictions.
 - (d) A statement and acknowledgment that the quitclaim deed for the property is subject to all redemption rights provided by state law.
 - (e) The non-profit organization's representation and agreement that it did not purchase the property on behalf of a "prohibited person" and will not sell or lease the property to a "prohibited person" for five years from the date of the quitclaim deed. A "prohibited person" is any party who was named as a defendant in the legal proceedings where the City obtained a final judgment for delinquent taxes and an order to foreclose its tax lien on the property or person in the judgment or seizure tax warrant, or the Sheriff's deed as the owner of the property, authorized seized and ordered sold for delinquent taxes and any municipal health and safety liens.

Section 4. That the City Manager is authorized to execute instruments, approved as to form by the City Attorney, releasing the City's possibility of reverter with right of re-entry and terminating the deed restrictions to the property upon compliance with all terms and conditions of Section 2-26 of the Code and the quitclaim deed, including the deed restrictions and the proposal.

Section 5. That the non-profit organization shall be responsible for the pro-rata taxes assessed on the property from the date of closing for the remaining part of the then-current calendar year. The property shall be placed back on the tax rolls effective as of the date of execution of the quitclaim deed.

October 26, 2016

Section 6. That any procedures required by Section 2-24 of the Code that are not required by state law are hereby waived with respect to conveyance of the property.

Section 7. That the monetary consideration received from the non-profit organization shall be distributed pursuant to the Section 34.06 of the Texas Tax Code.

Section 8. That any and all proceeds for the City's sale of the property to the non-profit organization be deposited to General Fund 0001, Agency DEV, Balance Sheet Account 0519.

Section 9. That upon receipt of the monetary consideration from the non-profit organization, the Chief Financial Officer is authorized to disburse proceeds of the sale of the property in accordance with Section 34.06 of the Texas Tax Code, and 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 8 above.

Section 10. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

EXHIBIT "A"

| LAND TRANSFER PROPERTIES | | | | |
|---------------------------------|--|--|----------------------------------|--------------------|
| PARCEL NUMBER | STREET ADDRESS LEGAL DESCRIPTION | QUALIFIED PURCHASER | NUMBER OF HOMEOWNER UNITS | SALE AMOUNT |
| 1 | 402 Cleaves Lot 2, Meadowmere Addition Block 2/7676 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 2 | 408 Cleaves Lot 5, Meadowmere Addition Block 2/7676 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 3 | 431 Cleaves Lot 3, Meadowmere Annex Addition Block 1/7678 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 4 | 438 Cleaves Lot 7, Meadowmere Addition Block 2/7678 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 5 | 457 Hart Lot 12, Meadowmere Addition Block 2/7678 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 6 | 407 Pecan N 22' Lot 3 & S 18' Lot 4, Meadowmere No. 3 Addition Block 5/7679 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 7 | 408 Pecan Lot 5, Meadowmere No. 3 Addition Block 6/7679 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 8 | 411 Pecan N 22' Lot 5 & S 18' Lot 6, Meadowmere No. 3 Addition Block 5/7679 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| 9 | 405 Albright Lot 16, Meadowmere 3 Addition Block 7/7679 | Dallas Housing Acquisition & Development Corporation | 1 | \$1,000.00 |
| TOTAL | | | | \$9,000.00 |