

Memorandum



DATE November 2, 2018

CITY OF DALLAS

TO Members of the Economic Development & Housing Committee: Tennell Atkins, Chair, Rickey D. Callahan, Vice-Chair, Lee M. Kleinman, Scott Griggs, Casey Thomas, II, B. Adam McGough, Mark Clayton, Kevin Felder, Omar Narvaez

SUBJECT 2018-2019 Urban Land Bank Demonstration Program Interlocal Cooperation Contract with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County Community College District, and the Dissolution Committee for the former board of Dallas County School Trustees on behalf of the former Dallas County Schools District

On Monday, November 5, 2018, the Economic Development and Housing Committee will consider entering into the 2018-2019 Urban Land Bank Demonstration Program Interlocal Cooperation Contract with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County Community College District, and the Dissolution Committee for the former board of Dallas County School Trustees on behalf of the former Dallas County Schools District.

Summary

The Department of Housing and Neighborhood Revitalization (H&NR) is requesting that the City Manager, or his designee, be authorized to execute an Interlocal Cooperation Contract for the Urban Land Bank Demonstration Program with Dallas County, Dallas Independent School District, Dallas County Hospital District, Dallas County Community College District, and the Dissolution Committee for the former board of Dallas County School Trustees on behalf of the former Dallas County Schools District to facilitate the Dallas Housing Acquisition and Development Corporation's (DHADC) acquisition of unimproved tax-foreclosed properties for sale to developers for the development of affordable housing and other approved purposes in accordance with Chapter 379C of the Texas Local Government Code (Code).

Background

Chapter 379C of the Texas Local Government Code (Code) allows property that is ordered sold pursuant to foreclosure of a tax lien to be sold in a private sale to a land bank by the officer charged with the sale of the property. However, before such a sale may occur, a municipality that has adopted a land bank must execute with the other taxing units that are parties to the tax suit an interlocal agreement that enables those units to agree to participate in the program while retaining the right to withhold consent to the sale of specific properties to the land bank.

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Since 2004, the City of Dallas has designated the DHADC as its Land Bank. Under the proposed interlocal contract, the City of Dallas (City) may annually refer to Dallas County approximately 300 parcels of real property intended for acquisition by the DHADC. The City or the DHADC must give written notices to all parties to the contract of the specific addresses of parcels intended for acquisition by the DHADC prior to initiating a tax lawsuit and prior to the sale of a property to the DHADC. Each party will have the right to withhold its consent to the filing of a lawsuit on a parcel or on the sale of a particular parcel to the DHADC.

The term of the proposed 2018-2019 contract will begin on October 1, 2018 and end on September 30, 2019.

Issues

Chapter 379C of the Texas Local Government Code (Code) allows property that is ordered sold pursuant to foreclosure of a tax lien to be sold in a private sale to a land bank by the officer charged with the sale of the property but requires a municipality that has adopted a land bank to execute with the other taxing units that are parties to the tax suit an interlocal agreement that enables those units to agree to participate in the program while retaining the right to withhold consent to the sale of specific properties to the land bank. Therefore, the DHADC cannot acquire properties unless an interlocal contract has been executed by the City of Dallas and all of the other taxing entities.

Fiscal Impact

The City Council recently allocated \$1.5 million in bond funding to support the acquisition of unimproved tax foreclosed properties by the Land Bank. There is no additional cost consideration to the City for entering into the interlocal cooperation contract.

Departments/Committee Coordination

On January 28, 2004, by Resolution No. 04-0458, City Council amended the Articles of Incorporation and Bylaws of the DHADC to allow DHADC to operate the City of Dallas Urban Land Bank Demonstration Program and authorized an Interlocal Cooperation Contract between the City of Dallas, Dallas County, Dallas Independent School District, Parkland Hospital District, Dallas County School Equalization Fund, Dallas County Education District and Dallas County College District for the Urban Land Bank Demonstration Program.

Staff Recommendation

Staff recommends that the City enter into the 2018-2019 Urban Land Bank Demonstration Program Interlocal Cooperation Contract with Dallas County, Dallas Independent School

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District, Dallas County Hospital District, Dallas County Community College District, and the Dissolution Committee for the former board of Dallas County School Trustees.

The terms of the contract will include:

- A. The contract will begin on October 1, 2018 and end on September 30, 2019.
- B. The City of Dallas will be allowed to refer to Dallas County approximately 300 parcels of real property intended for acquisition by the DHADC.
- C. The City or the DHADC must give written notice to all parties of the specific addresses of parcels intended for acquisition by the DHADC prior to referring said parcels for filing of a tax lawsuit and prior to the sale of a property to the DHADC. Each party will have the right to withhold its consent to the filing of lawsuit on a parcel or sale of a particular parcel to the DHADC.

Without objection by the Economic Development and Housing Committee, the interlocal cooperation contract will be brought forward for full Council consideration on November 28, 2018.



David Noguera

Director, Department of Housing & Neighborhood Revitalization

cc: Chris Caso, City Attorney (I)
Carol A. Smith, City Auditor (I)
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
M. Elizabeth Reich, Chief Financial Officer
Directors and Assistant Directors