

Memorandum



DATE May 27, 2025

CITY OF DALLAS

Honorable Members of the City Council Housing and Homelessness Solutions
TO Committee: Jesse Moreno (Chair), Cara Mendelsohn (Vice Chair), Zarin Gracey, Chad
West, Gay Donnell Willis

**Upcoming Agenda Items on June 25, 2025 City Council Agenda: Authorize the
Sale of up to five Land Bank Program Lots to for Murai Homes, LLC and/or its
affiliates (Developer); one Land Bank Program lot to EHP Enterprises dba TB
SUBJECT Homebuilders, and/or its affiliates (Developer); one Land Bank Program lot to
Housing Channel and/or its affiliates (Developer); one Land Bank Program lot to
Wisehouse Investment Group, and/or its affiliates (Developer)**

SUBJECT

This memorandum is to inform the Housing and Homelessness Solutions Committee (HHSC) of upcoming agenda items on the June 25, 2025 Council agenda recommended by the Dallas Housing Acquisition and Development Corporation (DHADC) to (1) authorize the sale of up to five lots to Murai Homes, LLC; one lot to EHP ENTERPRISES dba TB Homebuilders; one lot to Housing Channel; and one lot to Wisehouse Investment Group, LLC subject to restrictive covenants, a right of reverter, and execution of all necessary documents, pursuant to the City's Land Bank Program; and (2) execution of a development agreement with Developer for the construction of each single family home on the Land Bank Program lots. Estimated Revenue: Dallas Housing Acquisition and Development Corporation Operating Fund Account: \$127,000.00.

BACKGROUND

On January 28, 2004, City Council established the DHADC as its Land Bank for the purpose of acquiring, holding and transferring unimproved real property. The objective of the Land Bank Program is to: (1) reclaim vacant real property from tax delinquency status and (2) use such property to develop affordable housing for low-income households or for commercial purposes. The resale of such property will enable the development of new single-family homeownership or rental units to serve low-income households or the development of commercial uses that stabilize distressed communities. This Program is implemented via a statutorily authorized tax foreclosure process for properties with five or more years of delinquent property taxes. In order to achieve the public purpose of creating affordable housing for low-income households, all residential properties sold by DHADC will be deed restricted to require the development and sale, rental, or lease-purchase to low-income households, meaning households with a gross income of not greater than 115.00% of the Area Median Family Income

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(AMFI). Properties intended for commercial use that are acquired and resold by DHADC need only serve the public purpose of economic development.

The Developers being considered for the sale of these lots are Murai Homes, LLC, EHP ENTERPRISES dba TB Homebuilders, Housing Channel, and Wisehouse Investment Group, LLC. Each qualified participating developer submitted an application (proposal) to purchase Land Bank Program lots. The Department of Housing and Community Development (Housing) evaluated the applications pursuant to the standards set forth in the Land Bank Program guidelines, which included determining whether the Developer met the eligibility standards to be deemed a "Qualified Participating Developer" and underwriting the proposal. The applications were determined to be "complete" and met the minimum score to be eligible. Housing collaborated with the Developers regarding the terms of sale of the vacant lots as well as the terms related to the construction and subsequent sale of single-family housing units to income eligible homebuyers.

A synopsis of each application submitted is shown below.

A. Murai Homes, LLC

2830 Marburg, 3714 Frank, 3512 Cleveland, 2617 Carpenter, 4013 Hammerly

The Developer is a domestic liability company formed in Texas in 2018 and based in Grapevine. The managing partner of the Developer is Mustafa Jawaldwala. He has more than six years of homebuilding experience and has built 14 homes in the Land Transfer program, thereby exceeding the developer criteria set forth in the Land Bank Program. The applicant has provided evidence of cash reserves and lines of credit to complete these five homes. The proposal indicates the construction of five single-family units ranging from approximately 1200SF to 1350SF with a minimum of three bedrooms and two baths each. The price range of the proposed units will have a maximum sales price of:

1. 85.00% of the HUD HOME homeownership sales price (HUD Price) for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which The Affordable Family Unit (AFU) is sold for those units targeting homebuyers in the 81.00 - 115.00% price range (currently \$290,700.00).
2. 75.00% percent of the HUD HOME homeownership sales price (HUD Price) for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which the AFU is sold for those units targeting homebuyers at an AMI of 61.00 – 80.00% (currently \$202,500.00).
3. 60.00% of the HUD HOME homeownership sales price (HUD Price) for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which the AFU is sold for those units targeting homebuyers at an AMI of 60.00% and below (currently \$202,500.00).

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4. Two (2) units will target homebuyers in the 81.00 to 115.00% AMI range, two (2) units will target homebuyers in the 61.00 to 80.00% AMI range, and one (1) unit will target a homebuyer in the 60.00% and below AMI range.
5. Vacant Lot Sales Price: Attached as Exhibit A.
6. Targeted Income of Homebuyer: 115.00% and below.

B. EHP ENTERPRISES dba TB Home Builders
1204 Reverend CBT Smith Street

TB Home Builders is a domestic limited liability company formed in Texas in 2017 and based in Dallas. The sole member of the Developer, Eleni Papaioannou, has built one home in 2022 and is currently building a home at 5810 Carlton Garrett Street in Dallas. The Developer partnering on this project, FB Developers, is a domestic limited liability company formed in Texas in 2018 based in Red Oak. The sole member of the Developer, Floyd Bonner, is a builder who started building homes in 2005. He has built more than one-hundred homes, thereby exceeding the developer criteria set forth in the Land Bank Program. This will be the first home for either developer built through the Land Bank program. The applicant has provided evidence of lines of credit to support this project.

This Project will be for the construction of one single family three-bedroom, two-bathroom unit with 1800 square feet of living space. The price range of the proposed units will have a maximum sales price of:

1. Targeted homebuyer in the 81.00 - 115.00% AMI range and will have a maximum sales price not to exceed 85.00% percent of the HUD HOME homeownership sales price for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which the Affordable Housing Unit (AFU) is sold (currently \$290,700.00).
2. Vacant Lot Sales Price: Attached as Exhibit A.
3. Targeted Income of Homebuyer: 81.00 - 115.00%.

C. The Housing Channel
4515 Phillip

The Developer is a non-profit corporation formed in Texas in 2014 and based in Fort Worth. Donna VanNess is the president of the corporation. Housing Channel has fourteen years of experience constructing and renovating homes. They have built more than ten homes in the last two years, thereby exceeding the developer criteria set forth in the Land Bank Program. This will be their first home built through the Land Bank program. The applicant has provided evidence of lines of credit to support this project.

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This Project will be for the construction of one single-family three-bedroom, two-bathroom unit with 1500 square feet of living space and a minimum of a one car garage. The price range of the proposed units will have a maximum sales price of:

1. The Project will target a homebuyer in the 61.00 - 80.00% AMI range and will have a maximum sales price not to exceed 75.00% percent of the HUD HOME homeownership sales price for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which the Affordable Housing Unit (AFU) is sold (currently \$256,500.00).
2. Vacant Lot Sales Price: Attached as Exhibit A.
3. Targeted Income of Homebuyer: 61.00% - 80.00%.

D. Wisehouse Investment Group, LLC
2622 Marburg

The Developer is a domestic limited liability company formed in Texas in 2018 and based in Desoto. The managing member of the Developer, LaKeith Fowler, is a builder who has fourteen years of experience constructing and renovating homes. He has built more than ten homes in the last two years, thereby exceeding the developer criteria set forth in the Land Bank Program. This will be his first home built through the Land Bank program. The applicant has provided evidence of lines of credit to support this project.

This Project will be for the construction of one single family four-bedroom, two-bathroom unit with 1600 square feet of living space. The price range of the proposed units will have a maximum sales price of:

1. The Project will target a homebuyer in the 61.00 – 80.00% AMI range and will have a maximum sales price not to exceed 75.00% of the HUD HOME homeownership sales price for the Dallas, Texas HUD Metro Fair Market Rents Area for the year in which the Affordable Housing Unit (AFU) is sold (currently \$256,500.00).
2. Vacant Lot Sales Price: Attached as Exhibit A.
3. Targeted Income of Homebuyer: 60.00 – 80.00%.

DEVELOPMENT TERMS AND CONDITIONS

- Single-Family Home Sales Price: The sales price of the home cannot exceed the current HUD HOME homeownership sales price for the Dallas, TX HUD Metro FMR Area and must be affordable based on the income of the targeted homebuyer.

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- **Construction Timeframe:** Each developer must apply for a construction permit within 120 days and close on any construction financing within two years of purchase from the City. In addition, each developer should complete construction and sale of each affordable housing unit to an income eligible homebuyer within three years of the date of acquisition of the vacant lot utilized for construction of the unit.
Additional Conditions: Murai Homes, LLC should complete construction and sale on at least one (1) affordable housing unit to an income eligible homebuyer within seven months of the date of acquisition from the DHADC. Housing Channel must apply for a construction permit within 120 days and close on any construction financing within six months of purchase from the City.
- **Restrictive Covenants:** Each developer must (1) sell the lot to an income eligible household and (2) prior to the sale, must provide to the Department of Housing and Community Development staff written documentation of the income of the proposed purchaser and the sales price. After sale of the home, the property must be occupied as an income eligible household's principal residence during the entire term of the affordability period.
- **Affordability Period:** Once the property is sold to an income eligible household, it must be occupied as the household's principal place of residence for at least five years. If the original purchaser re-sells the property during the affordability period, the property may only be sold to another income eligible household.
- **Right of Reverter:** Title to the property will revert to the DHADC if each developer does not apply for a construction permit and close on any construction financing within sixty days of purchase from the City or does not complete the construction and sale of the affordable housing unit to an income eligible homebuyer within two years.

FISCAL IMPACT

Estimated Revenue: DHADC \$127,000.00

There will be no fiscal impact to the City of Dallas General Fund. DHADC will receive revenue from the sale of the lot, see attached Exhibit A, in the amount of \$127,000.00. Upon completion of the proposed housing units the expected property tax generated is expected to be approximately \$15,444.04 (based on sales of \$2,100,600.00 multiplied by a tax rate of .7357 per \$100 valuation) annually. No revenue is forgone as non-tax privileged liens are no longer collectible after the date of the foreclosure judgment.

STAFF RECOMMENDATION

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To support the affordable housing production goals outlined in the Dallas Housing Policy 2033 and the Dallas Housing Resource Catalog, staff recommends that the Housing and Homelessness Solutions Committee move this item forward to City Council so that it may consider and approve of the sale of eight vacant lots held by the DHADC to the Qualified Participating Developers pursuant to the terms of development set forth in this memorandum.

Should you have any questions or require any additional information, please contact me or Cynthia Rogers-Ellickson, Director, Department of Housing & Neighborhood Revitalization at Cynthia.Rogersellic@dallas.gov or 214-670-3601.

Service First, Now!



Robin Bentley
Assistant City Manager

[Attachments: Exhibit A & Project Map]

c:	Kimberly Bizer Tolbert, City Manager	Alina Ciocan, Assistant City Manager
	Tammy Palomino, City Attorney	Donzell Gipson, Assistant City Manager
	Mark Swann, City Auditor	Robin Bentley, Assistant City Manager
	Biliera Johnson, City Secretary	Jack Ireland, Chief Financial Officer
	Preston Robinson, Administrative Judge	Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
	Dominique Artis, Chief of Public Safety	Directors and Assistant Directors
	Dev Rastogi, Assistant City Manager	
	M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager	

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Exhibit A

Murai Homes, LLC

Lot	Street#	Street Name	Purchase Price	CD	MVA	Proposed Homebuyer AMI	Non-Tax Lien Amount
1	2830	Marburg	\$11,500	7	H	60% and below	\$58,938
2	3714	Frank	\$13,500	7	H	61% - 80%	\$42,833
3	3512	Cleveland	\$13,500	7	I	61% - 80%	\$34,662
4	2617	Carpenter	\$20,500	7	H	81% - 115%	\$21,939
5	4013	Hammerly	\$20,500	7	H	81% - 115%	\$578
		Total Purchase Price	\$79,500			Total Non-Tax Lien Amount	\$158,950

TB Home Builders, LLC

Lot	Street#	Street Name	Purchase Price	CD	MVA	Proposed Homebuyer AMI	Non-Tax Lien Amount
1	1204	Reverand CBT Smith St	\$20,500	7	F	81%-115%	\$24,466
		Total Purchase Price	\$20,500			Total Non-Tax Lien Amount	\$24,466

Housing Channel

Lot	Street#	Street Name	Purchase Price	CD	MVA	Proposed Homebuyer AMI	Non-Tax Lien Amount
1	4515	Phillip	\$13,500	2	H	61% - 80%	\$12,802
		Total Purchase Price	\$13,500			Total Non-Tax Lien Amount	\$12,802

Wisehouse Investment Group, LLC

"Service First, Now!"
Connect – Collaborate – Communicate

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Lot	Street#	Street Name	Purchase Price	CD	MVA	Proposed Homebuyer AMI	Non-Tax Lien Amount
1	2622	Marburg	\$13,500	7	F	61% - 80%	\$53,283
		Total Purchase Price	\$13,500			Total Non-Tax Lien Amount	\$53,283