

# Memorandum



CITY OF DALLAS

DATE October 30, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Dallas Housing Acquisition and Development Corporation (DHADC) Update**

## Summary

As we start a new fiscal year, staff would like to provide an update on DHADC activities, specifically inventory, acquisitions, staffing and challenges. The last 6 months have provided a number of challenges for DHADC partners and city staff as adjustments are made to account for COVID. The Housing Department is designated a Phase 3 return-to-work department and staff continues to primarily work from home with plans to return to City Hall at the end of the calendar year. In light of continuing COVID-related staff shortages and changing work priorities our partners are experiencing, we continue to explore solutions to assist in their efforts and remedy our obstacles in creating new affordable housing stock in Dallas.

## DHADC Inventory:

- In the Fiscal Year 2019-2020, 33 affordable housing units were completed and sold to income eligible homebuyers through the Land Bank Program. These housing units were completed in an average time of 128 days and sold in an average time of 33 days with an average sales price of \$185,105. The average size of the housing units sold was 1,929 square feet. Currently, the Land Bank Program has 53 housing units under construction or pending permits to start construction. Staff anticipates an additional 39 housing units to start construction in Fiscal Year 2020-2021.

## DHADC Acquisitions:

- Staff has referred 300 properties to Linebarger, Goggan, Blair and Sampson for foreclosure consideration as the first step in the acquisition process for DHADC inventory lots. In addition, 145 properties have been “cleared” by Linebarger Goggan and referred to Republic Title for their assessment and of those, 125 have been referred to Terracon for a Limited Environmental Site Assessment. Staff

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intends to refer an additional 50 properties to Linebarger Goggan by the end of next month. On September 15, DHADC staff was notified by Linebarger Goggan, “we resumed filing lawsuits in June and the court hearings resumed in July. The Sheriff’s office conducted a tax sale in July, however, the sales scheduled for August – October were cancelled. The Sheriff’s office has confirmed that the private sales to the land bank will move forward as planned starting in December”. Therefore, DHADC staff along with our service providers, will continue with the preparation of the identified lots for acquisition to be ready for filing when the County resumes normal business operations.

*DHADC staff recently visited a Hedgestone Investments project, 2822 Pennsylvania, currently under construction on a Land Bank lot with Councilman Bazaldua to provide program updates. This project is approximately 1900 square feet and will sell for approximately \$180,000 to a prospective homebuyer in the 81-115%AMI range.*



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*DHADC staff recently visited a Hedgestone Investments completed project, 2314 Wilhurt, as part of the program's compliance review. This project is 2007 square feet and is expected to be sold for approximately \$189,000 to a prospective homebuyer in the 81-115% AMI range.*



### **DHADC Staffing:**

- As you are aware the DHADC is supported by Housing staff and the number of individuals dedicated to the Land Bank Program has been reduced over the last year to 2, Land Bank Manager, Albert Gonzalez and Housing Project Coordinator, Alisha Palma. In addition, we have since undertaken a new program, the Land Transfer Program and soon will also be overseeing the Community Land Trust Program. Temporary help was authorized to support the additional workload and this individual came on board Monday, October 26, 2020.

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**DHADC Improvements:**

- The past several months have brought on some unique challenges as most of the internal and external work groups which assist DHADC in the sale and compliance of vacant lots have shifted their processes to accommodate COVID cautionary measures. DHADC staff has implemented changes and continually looks for more solutions to address impediments to our processes. First, all monetary transactions to and from DHADC are now conducted by wire transfer or ACH. Staff has renegotiated all banking fees with Chase to account for the increased volume in such transactions. Secondly, through a third-party service provider, DHADC staff now files all Dallas County legal documents related to the properties DHADC sells or services electronically. Third, DHADC now has a signed MOU with Dallas Water Utilities to clear any City liens on DHADC properties within 48 hours. This also included staff training on the Dallas Water Utilities SAP operating system to research City liens on DHADC properties. Lastly, DHADC staff created an expedited approval of release of reverters and partial release of liens with the more active Title Companies to reduce the closing time for prospective homebuyers.

Should you have any questions or require any additional information, please contact myself or David Noguera, Director, Department of Housing & Neighborhood Revitalization, at [David.Noguera@DallasCityHall.com](mailto:David.Noguera@DallasCityHall.com) or 214-670-3619



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