

Memorandum



CITY OF DALLAS

DATE September 20, 2019

TO Honorable Mayor and Members of the City Council

SUBJECT **September 25th Upcoming Council Agenda Item No. 26 - for Title Clearing Program and Legal and Professional Services Contract**

The following Housing and Neighborhood Revitalization Department item will be considered by the City Council on the September 25, 2019 Agenda. This item proposes an amendment to the Comprehensive Housing Policy (CHP) and propose the contract for implementation of the Program.

Agenda Item No. 26 – Authorize (1) an amendment to the City of Dallas CHP, previously approved on May 9, 2018, by Resolution No. 18-0704, as amended, to add a Title Clearing and Clouded Title Prevention Pilot Program to help clear title for low-to-moderate income families in order to establish marketable title, to encourage neighborhood stability, and to enable homeowners to become eligible for funding to invest in their homes; and (2) a three-year legal and professional services contract to implement a Title Clearing and Clouded Title Prevention Pilot Program with Cadillac Law, PLLC, most advantageous proposer of four - Not to exceed \$200,000.00 - Financing: General Fund

Background

Families with inherited real estate may consider themselves homeowners and may have lived in their homes their whole lives, yet their ownership is not properly documented in the deed records. This hampers their ability to qualify for City programs such as the Home Improvement and Preservation Program (HIPP), to obtain home improvement loans, and to sell the property when they are ready. It can erode the family's chances to pass the property on to their children or to access the equity in their property. Additionally, when a significant number of properties in a neighborhood have ownership clouds on the title and have fallen into disrepair, the lack of maintenance may affect the entire neighborhood's stability and future.

On June 24, 2019, at a special called meeting, City Council established strategic priorities for 2019 and 2020, several of which directly relate to housing, including programs to improve the City's housing stock and to improve community-oriented code compliance.

The Title Clearing and Clouded Title Prevention Pilot Program (Program) serves to address these City Council priorities and to implement the three broad goals of the CHP:

1. To maintain affordable housing
2. To provide greater fair housing choices
3. To overcome patterns of segregation and concentrations of poverty.

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City Council approval of this item will approve the amendment to the CHP, create the program, and authorize the City Manager to execute the contract.

Amendment to Comprehensive Housing Policy

The Program is a proposed legal services program to be administered by a third-party entity that is designed to focus on assisting qualified clients of the third-party entity (hereinafter referred to as “clients”) to clarify the legal ownership of their real property so that homeowners can apply for funding for home repair and other needs and can prevent future heirship issues; and clients with vacant land can sell or build on their land. A secondary focus is to provide associated services, including legal rights information sessions, prevention services, and program evaluation and measurement.

The Program is open to potential clients with an assumed or possible ownership interest in real property located within eligible geographic areas who have a household income less than or equal to 120 percent of the Dallas Area Median Family Income and who are unrepresented by counsel.

Although it is difficult to quantify with precision, preliminary data analysis of the location of HIPP denials related to title issues, indicates that the incidence of properties with unresolved title issues is greater in Southern Dallas.

For this reason, and to support the City Council’s emphasis on equity, areas of southern Dallas (south of the Trinity River west of downtown and south of Interstate Highway 30 east of downtown) in Market Value Analysis (MVA) Categories D, E, F, G, H, and I are eligible for the pilot program, with preference given to potential clients who have an assumed ownership interest in:

- a home in MVA categories G, H, and I
- real estate in City of Dallas-designated historic districts
- real estate in designated Reinvestment Areas.

Preference will also be given to those clients within the eligible geographic areas who have been denied City of Dallas Housing and Neighborhood Revitalization (the “Department”) funding for lack of ownership clarity on the title.

The Housing Policy Taskforce Steering Committee discussed this Program at the June 2019 meeting, received an email update in July 2019, and had a second discussion on the August 2019 meeting.

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Proposed Contract for Creation and Administration of a Pilot Program

On September 18, 2018, City Council approved the FY 2019 City budget, which included funding to support housing-related tools and strategies that can be used in areas that have been historically underserved. A portion of that money, not to exceed \$200,000.00, is proposed to be used for a contract to implement the Program.

In this contract, the selected vendor will be required to focus on providing legal and professional services to 1) assist a significant number of qualified clients to attain a marketable/insurable title to their property in three to five neighborhoods within the eligible geographic areas, and 2) provide associated services, including legal rights information sessions, legal services that prevent clouded titles (such as preparing wills and transfer on death deeds), and program evaluation and measurement. The vendor will also be required to commit to a universal representation model, providing representation to clients within the eligible geographical area up to capacity in a merits-blind manner.

On June 27, 2019 the City issued a request for proposals which stated that proposers may be a not-for-profit, educational, legal aid, or other legal services organization or group of organizations with a strong record of providing high-quality legal representation in low-income communities, experience with title law, applicable remedies, and knowledge of the Dallas community to apply for the initial funding for this Program and to create the details for a pilot program.

Cadillac Law, PLLC, the most advantageous proposer of four, is an Oak Cliff-based, woman-owned law firm that focuses primarily on real estate, estate planning, and probate issues. Cadillac Law, PLLC intends to partner with Quest for Greater Success, a Pleasant Grove-based non-profit that offers a food pantry and job training; Domino SEM, a woman-owned business that offers affordable marketing; and Howard Watkins, PLLC, a mediator and licensed attorney.

Cadillac Law, PLLC currently offers free monthly seminars regarding estate planning and has three years' experience clearing titles, performing title abstract and examination, and representing clients in probate cases. As needed, the firm offers phone consultations, offers free consultations, and makes affordable payment plan arrangements for clients.

In order to assist the City in implementing the Program, Cadillac Law, PLLC will provide the following:

- A marketing plan to ensure community knowledge about and access to the Program;
- Quarterly information sessions in various eligible neighborhoods to provide information about title issues, probate, and estate planning;
- Efficient and effective legal services to help clients resolve issues related to real estate title;

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- Additional services to prevent cloudy titles, such as estate planning services including wills, trusts, and transfer on death deeds; and
- Program evaluation and measurement.

Thank you for your consideration. Should you have any questions please contact David Noguera, Director of Housing and Neighborhood Revitalization at (214) 670-5988.



Michael Mendoza

Chief of Economic Development and Neighborhood Services

c: TC Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Mark Swann, City Auditor
Billierae 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
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