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CITY OF DALLAS

Memorandum

CITY SECRETARY
DALLAS, TEXAS

REVISED

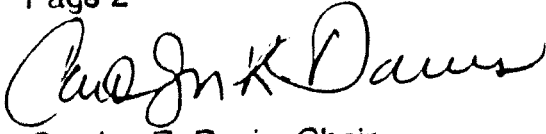
DATE August 30, 2013

TO Housing Committee Members: Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT September 3, 2013 - Housing Committee Agenda

We will have a meeting of the Housing Committee on Tuesday, September 3, 2013, City Hall, 1500 Marilla - Room 6ES, Dallas, Texas, 75201, from 11:00 a.m. - 12:30 p.m. The agenda is as follows:

1. Approval of June 17, 2013 Minutes
Councilmember Carolyn R. Davis
2. Housing/Community Services Program Overview
Mitchell/O'Donnell
(Estimated time 25 minutes)
3. Dallas Area Plan for Permanent Supportive Housing (PSH) 2013 - 2016
Mike Faenza, President & CEO Metro Dallas Homeless Alliance
(Estimated time 35 minutes)
4. Upcoming Agenda Items
Housing items only
For Information Only
 - a. Amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program



Carolyn R. Davis, Chair
Housing Committee

- c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Daniel Solis, Administrative Judge, Municipal Court
Ryan Evans, First Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Chief Charles Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Elsa Cantu, Assistant to the City Manager

Note: A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.

Housing Committee

Meeting Record June 17, 2013

The Housing Committee meetings are recorded. Agenda materials and audiotapes may be reviewed/copied by contacting the Housing Department, Staff Coordinator at 214-670-3906.

Meeting Date: June 17, 2013

Meeting Start time: 11:03 A.M.

| | |
|---|---|
| <p><u>Committee Members Present:</u> Carolyn R. Davis (Chair) Scott Griggs (Vice-Chair) Linda Koop Pauline Medrano Dwaine Caraway</p> | <p><u>Staff Present:</u> Ryan Evans-Asst. City Manager Jerry Killingsworth-Director/HOU Karl Zavitkovsky-ECO Bernadette Mitchell-Asst. Director/HOU Charles Brideau-Asst. Director/HOU Patrick Inyabri-HOU Cynthia Rogers Ellickson-HOU Cobbie Ransom-HOU Pam Thompson-ECO Sue Housel-ECO Charles Estee-CAO Michael Bostic-CAO Shannon Holmes-CAO Sarah Hasib-CAO Doris Edmon-HOU Esmeralda De la Cruz-HOU Adelia Gonzalez-SEC Alida Allen-HOU</p> |
| <p><u>Other Council Members Present:</u></p> | <p><u>Other Attendees</u> Mike Faenza-Metro Dallas Homeless Alliance Charles Gulley-MDHA Gerald Carlton-EDCO Cyndy Lutz-Habitat for Humanity</p> |
| <p><u>Committee Members Absent:</u></p> | <p><u>Other Attendees</u> Mike Faenza-Metro Dallas Homeless Alliance Charles Gulley-MDHA Gerald Carlton-EDCO Cyndy Lutz-Habitat for Humanity</p> |

AGENDA:

Housing Committee Meeting Called to Order by CM Carolyn R. Davis

1. Approval of June 3, 2013 Minutes of the Housing Committee
 Presenter(s): Council Member Scott Griggs

Action Taken/Committee Recommendation(s)

| | |
|---|---|
| <p>Motion made by: CM Scott Griggs</p> | <p>Motion seconded by: CM Linda Koop</p> |
| <p>Item passed unanimously: <u>X</u></p> | <p>Item passed on a divided vote: _____</p> |
| <p>Item failed unanimously: _____</p> | <p>Item failed on a divided vote: _____</p> |

Follow-up (if necessary):

2. Design District TIF Grant Program Amendment

Presenter(s): Evans, Asst. City Manager/Karl Zavitkovsky, Director

Information Only: X

Action Taken/Committee Recommendation(s)

| | |
|--------------------------------|--------------------------------------|
| Motion made by: _____ | Motion seconded by: _____ |
| Item passed unanimously: _____ | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

3. Status of Housing Projects

Presenter(s): Evans, Asst. City Manager/Jerry Killingsworth, Director/Bernadette Mitchell, Asst Director

Information Only: X

Action Taken/Committee Recommendation(s)

| | |
|--------------------------------|--------------------------------------|
| Motion made by: _____ | Motion seconded by: _____ |
| Item passed unanimously: _____ | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

4. Upcoming Agenda Items

Housing items only

- a. Acceptance of CDBG Section 108 Loan Fund for Lake Highlands Town Center
- b. Development Loan with Habitat
- c. Conditional Grant Agreement with KKBK Properties, LLC
- d. Conditional Agreement with Jubilee Park Community Center Cooperation
- e. Conditional Grant Agreement with Frazier Revitalization, Inc
- f. Loan Amendment with City Wide CDC (Addendum)

Information Only: _____

Action Taken/Committee Recommendation(s)

| | |
|--------------------------------|--------------------------------------|
| Motion made by: _____ | Motion seconded by: _____ |
| Item passed unanimously: _____ | Item passed on a divided vote: _____ |
| Item failed unanimously: _____ | Item failed on a divided vote: _____ |

Follow-up (if necessary):

Meeting Adjourned by CM Carolyn R. Davis

Meeting Adjourned: 11:30 A.M.

Approved By: _____

Memorandum



DATE August 30, 2013

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Housing/Community Services Program Overview

On Tuesday, September 3, 2013, you will be briefed on the Housing/Community Services Program Overview. A copy of the briefing is attached.

Please let me know if you have any questions.



Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, Interim City Manager
Tom P. Perkins, Jr., City Attorney
Judge Daniel Solis, Administrative Judge, Municipal Court
Rosa A. Rios, City Secretary
Craig Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Forest E. Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Frank Libro, Public Information Office
Jerry Killingsworth, Housing/Community Services Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council



Housing/Community Services Program Overview

A Briefing to the
Housing Committee
September 3, 2013

Housing/Community Services Department


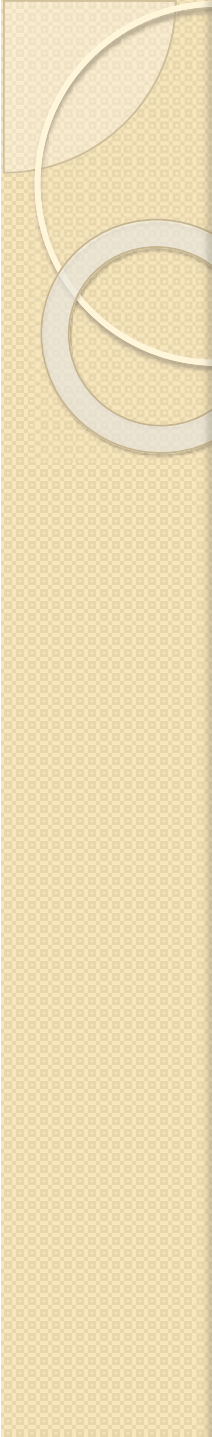




Purpose

- Provide a framework for Housing, Community Services, and Neighborhood Development for the City of Dallas
- Provide an overview of the City's Housing and Community Services Department Programs and FY 2013-14 Budget

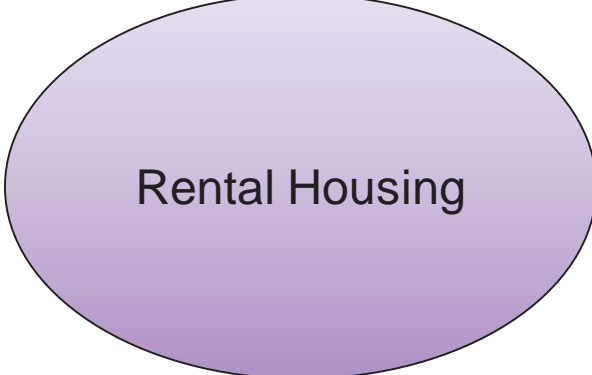
Framework for Housing, Community Services, and Neighborhood Development




Homeless



Homeownership



Rental Housing



Neighborhood
Development



Homeless

Homeless on the Street

Overnight Shelters

Temporary Housing

Permanent Supportive Housing

Special Needs Housing



Addressing Homeless

- The Bridge
- Homeless Client Case Management
- Housing Placements for Homeless, ExOffenders, and Persons with HIV/AIDS
- Homeless Prevention Assistance
- Partner with other governmental entities, for profits, and nonprofits to provide services and permanent supportive housing (i.e. the Continuum of Care)



Homeownership

Single Family Home Development

Higher Density Housing

Mixed-Income Housing

Housing Preservation

Infill Housing



Addressing Homeownership

- Gap financing to for profit and nonprofit entities to build new housing
- Mortgage Assistance for eligible families to buy a home in Dallas
- Home Repair for homeowners to upkeep their homes
- Home Replacement for senior & disabled homeowners to rebuild their home
- Minor Repairs through volunteer coordination for seniors & disabled homeowners
- Expedited foreclosure of vacant, tax delinquent lots for redevelopment



Rental Housing

Public Housing

Senior Housing

Transit Oriented Housing

Mixed-Use Housing

Mixed-Income Housing

Preservation vs. New Construction



Addressing Rental Housing

- Dallas Housing Authority partnership
- Partner with for profit and nonprofit entities to develop new housing units
- Participate with interested parties on the Low Income Housing Tax Credit program through the State of Texas
- Provide gap financing to for profit and nonprofit entities to rehabilitate small apartment complexes
- Gap financing for conversion projects, TOD, and mixed-use projects



Neighborhood Development

Public Improvements

Beautification

Neighborhood Engagement

Community Services

Crime

Code Enforcement

Vacant Lots



Addressing Neighborhood Development

- Focus and leverage resources in targeted areas to help stabilize and beautify neighborhoods, increase public safety, and facilitate infill housing on unproductive lots
- Provide residents with the opportunity to work with the City and other stakeholders to develop a shared vision for their communities
- Provide a compliment of services for seniors and households needing child care, nutrition for women, infants, and children, and other types of supportive services
- Make community resources/services accessible to community residents



Department Staff & Locations

- 435 Full Time Staff
- Services offered at 26 locations
 - City Hall
 - West Dallas Multipurpose Center
 - Martin Luther King Community Center
 - 5203 Bexar Street
 - The Bridge
 - WIC sites (21)

Housing/Community Services Estimated Budget for 2013-14

| Source | Amount |
|--|---------------------|
| Community Development Block Grant (CDBG) | \$10,700,816 |
| HOME Investment Partnership Program (HOME) | \$ 4,290,210 |
| Housing Opportunities for Persons with AIDS (HOPWA) | \$ 4,393,520 |
| Emergency Solutions Grant (ESG) | \$ 1,050,237 |
| Other Grants: Shelter Plus, Transitional Housing, Permanent Supportive Housing, State and County Homeless Assistance | \$ 5,788,875 |
| Women, Infants, & Children | \$14,366,397 |
| General Fund | \$10,897,175 |
| 2012 G.O. Bond Program | \$ 4,550,000 |
| Section 108 Loan Funds Available | <u>\$33,450,000</u> |
| Total | \$89,487,230 |



Questions and Answers

Memorandum



CITY OF DALLAS

DATE August 30, 2013

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Dallas Area Plan for Permanent Supportive Housing (PSH) 2013-2016

On Tuesday, September 3, 2013, you will be briefed on the Dallas Area Plan for Permanent Supportive Housing (PSH) 2013-2016. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink that reads "Theresa O'Donnell".

Theresa O'Donnell
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council
A.C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
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Jerry Killingsworth, Housing/Community Services Director
Elsa Cantu, Assistant to the City Manager – Mayor and Council

Dallas Area Plan for Permanent Supportive Housing (PSH) 2013–2016

Presented By: Metro Dallas Homeless Alliance
(MDHA)

A Briefing to the Housing Committee
September 3, 2013



Goals of Briefing

- Review proposed Permanent Supportive Housing Plan (PSH) for the metropolitan Dallas Area
- Request that the Housing Committee endorse this plan to be further approved by the full City Council



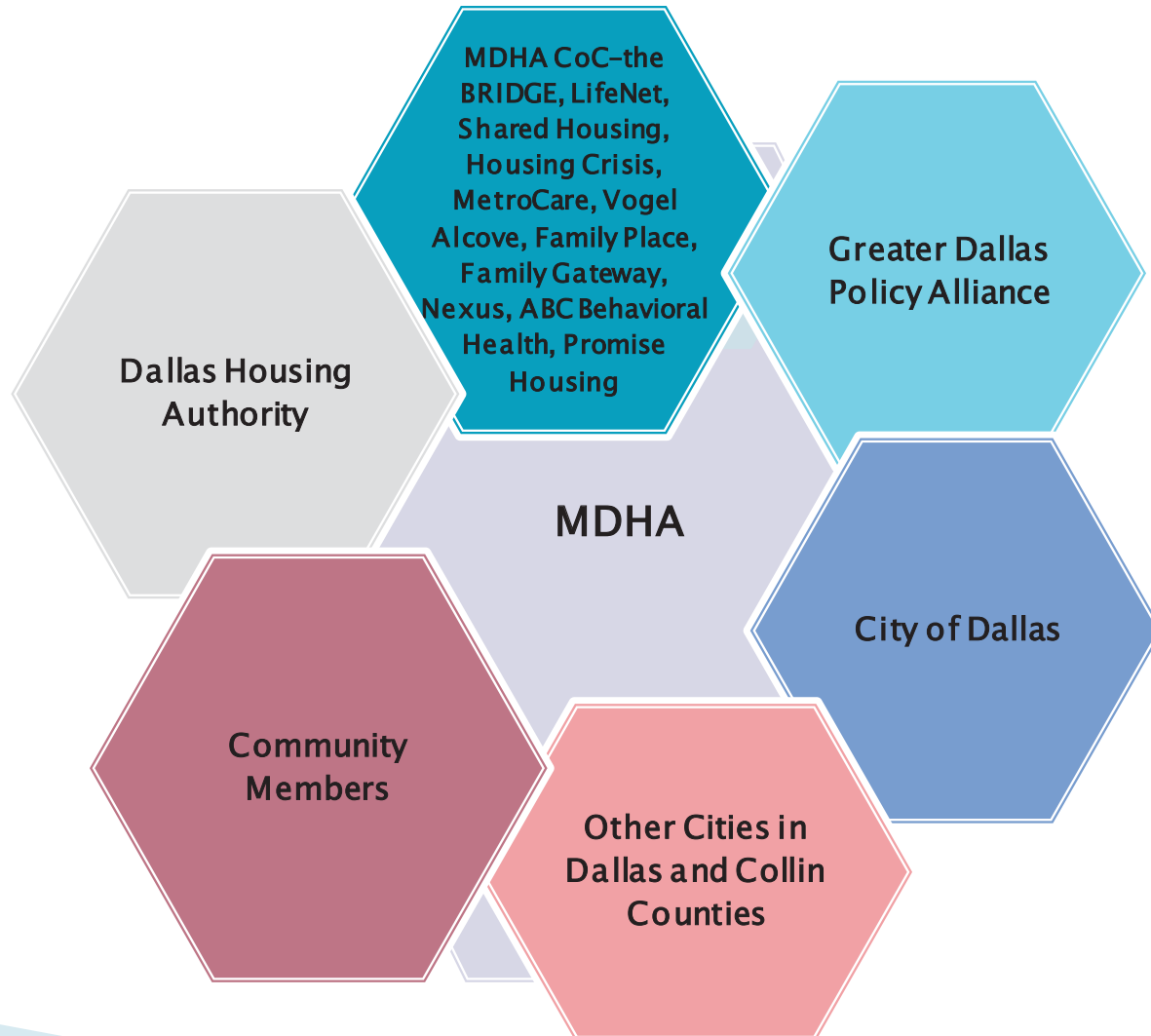
Metro Dallas Homeless Alliance (MDHA)

- The MDHA is a 501(c)3 member organization comprised of a broad spectrum of stakeholders committed to end homelessness. Through MDHA, 74 agencies that represent shelters, hospitals, government agencies, local municipalities, nonprofits, faith-based organizations, housing and treatment providers, individuals (including homeless consumers), businesses, medical/educational leaders, and other community members meet routinely to collaborate on issues to fight homelessness.
- MDHA has been recognized as the "regional authority on homelessness" and provided leadership to develop programs and secure funding to assure quality, effective services for persons experiencing homelessness.
- MDHA Purpose
 - To end homelessness in Metropolitan Dallas through advocacy, planning, and education that creates and sustains needed change
- MDHA Vision
 - All people live in appropriate housing
- MDHA Values
 - Compassion, Accountability, Respect and Courage

Metro Dallas Homeless Alliance (MDHA)

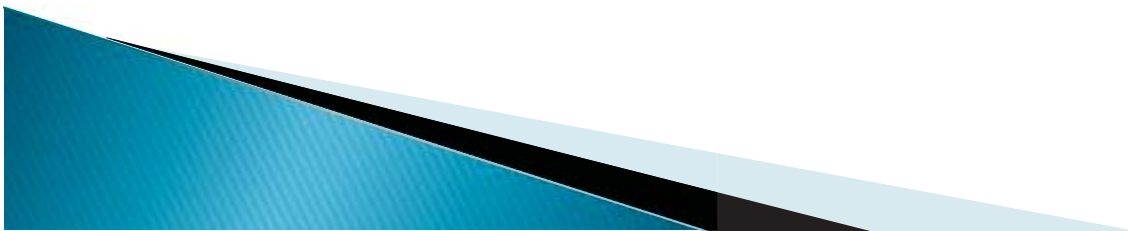
- MDHA provides leadership through the following homeless initiatives:
 - Housing Policy and Services Center
 - Homeless Management Information System
 - Dallas Ten-Year Plan to End Chronic Homelessness
 - Permanent Supportive Housing
 - Continuum of Care Grant Process: CoC Project Priority List & CoC Application
 - Coordinated, Effective Support Services
 - Advocacy & Community Education
 - 2013 Point-In Time Homeless Count

The Collaboration



The Bridge

- The Bridge is a highly successful comprehensive services campus focusing on homeless adults with severe mental illnesses, addictive disorders and other medical challenges
 - Up to 900 of the individuals who draw upon Bridge services each day are disabled
 - Some of these disabled individuals are chronically homeless
 - Others become chronically homeless if they do not achieve permanent supportive housing within a year of homelessness
- The Bridge has placed more than 1,000 individuals in PSH since its opening in 2008 with a stability rate of 90% at six months of placement



Permanent Supportive Housing: Central to the Solution to Chronic Homelessness

- Permanent Supportive Housing is the solution for most homeless individuals with disabilities and homeless families in which a parent is disabled
- Permanent Supportive Housing should be treated as any other affordable housing in government policy and practice
- Chronic homelessness is prevented when homeless people with disabilities find permanent housing before they are homeless for one year
- PSH provides case-managed health and human services that enable residents to live successfully in community
- PSH lowers rates of mortality, minor offenses, emergency room visits, and disease



PSH Plan Development History

- The PSH Plan was developed by MDHA staff and volunteers over the last two years with guidance from the Greater Dallas Homeless Policy Alliance
- The Greater Dallas Homeless Policy Alliance brings perspective from multiple local governmental jurisdictions into policy and financing discussions related to ending homelessness. Staffed by MDHA, the group is invested in building collaborative strategies across public agencies to respond to the major challenges of homelessness
- Leaders from the Dallas Housing Authority, MDHA, the City of Dallas, Dallas County, the North Texas Behavioral Health Authority (NorthStar), and the Dallas County Courts have all taken a committed role in this process

PSH Plan

Purpose

- The purpose of the PSH Plan is to establish the system capacity necessary to overtake existing chronic homelessness and prevent new cases of chronic homelessness (disabled and homeless for a year or more.)
- With adequate permanent housing stock and supportive services in place, the vast majority of formerly homeless disabled residents succeed in maintaining housing stability and living productive and healthy lives
- MDHA and partners view the Dallas Area PSH Plan 2013–2016 as a blueprint to end chronic homelessness in metropolitan Dallas

Unmet Need

- The Plan estimates an unmet need of 1,800 additional units of PSH during this period. These 1,800 new units (apartments) and the 1,900 units currently in operation require robust supportive services to ensure that health and human services are readily available.
- The target of 1,800 additional units is based on an assumption that a maximum of 200 new homeless cases will occur within the NorthStar Behavioral Health System annually.
- Another assumption is that current and new PSH programs will have sufficient supportive services available to continue the current high level of housing stability outcomes in PSH. Both of these issues: minimization of new cases and financing of supportive services are addressed in the plan.



Three Central Plan Strategies

- Housing Capacity
 - Increasing PSH capacity by 1,800 units
- Supportive Services Capacity
 - Devoting existing resources and developing new financing streams for supportive services
- Preventing New Cases
 - Placing disabled homeless in PSH within twelve months of an onset of homelessness



Housing Unit Capacity

- The Dallas Housing Authority, with the support of MDHA in ensuring services capacity, targets 300 new units each year through 2016
- MDHA, through the Continuum of Care, is projected to provide 50 new units annually through the annual HUD Supported Housing Program grant application
- The Veteran's Administration is projected to generate 100 new units of PSH for Veterans annually
- 450 new units would be provided per year for a total of 1,800 over the next four years

Sufficient Services Support

The Plan recommends:

- The City of Dallas and Dallas County align a portion of their HUD Emergency Solutions Grant funds each year to support case management for new projects coming on line through 2016
- Parkland Homes Program continue its fine work with homeless and formerly homeless populations
- NorthStar reimburse providers for medication and psychiatric physician services

Prevention of New Cases

- The plan supports the NorthStar Behavioral Health System in its efforts to increase its data collection, analysis and program strategy regarding people with mental illnesses and addictive disorders who are experiencing homelessness or are at risk of homelessness
 - Status
 - NorthStar has completed a first round of identifying currently homeless individuals and those at imminent risk. As this reporting is refined it will allow NTBHA to identify the status of homelessness in the system and those at risk, monitor its progress towards homelessness goals and adjust program in light of data.
 - The North Texas Behavioral Health Authority Board has agreed to having no more than 200 newly homeless NorthStar consumers annually and to permanently house homeless consumers in less than twelve months.

Next Steps

- September 3, 2013, the Housing Committee would consider endorsement of the PSH Plan
- September 25, 2013, the City Council would consider endorsement of the PSH plan



KEY FOCUS AREA: Economic Vibrancy
AGENDA DATE: September 11, 2013
COUNCIL DISTRICT(S): 1, 2, 3, 4, 5, 6, 7, 8
DEPARTMENT: Housing/Community Services
CMO: Theresa O'Donnell, 671-9195
MAPSCO: N/A

SUBJECT

Authorize an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to align the Program Statement with 2013 state statute changes including reducing the number of housing units constructed by a qualified participating developer from three to one, expanding the definition of an eligible adjacent property owner to include any owner of adjacent property, before completion of the four-year period, permitting the transfer of property not suitable for development to the taxing entities or to be sold directly to a political subdivision or nonprofit organization and permitting grocery store development with a minimum of 6,000 square feet of enclosed space that offers for sale fresh produce and other food items for home consumption – Financing: No cost consideration to the City

BACKGROUND

This item will authorize an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to align the Program Statement with 2013 state statute changes. The number of housing units constructed by a qualified participating developer will be reduced from three to one. The definition of an eligible adjacent property owner will be expanded to include any owner of adjacent property. Before completion of the four-year period, the transfer of property not suitable for development to the taxing entities will be permitted. The sale directly to a political subdivision or nonprofit organization will also be permitted before completion of the four-year period. A grocery store development with a minimum of 6,000 square feet of enclosed space that offers for sale fresh produce and other food items for home consumption will be permitted.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On January 28, 2004, the Dallas City Council established the Dallas Housing Acquisition and Development Corporation (DHADC) as its land bank, approved the Program Statement, authorized amendments to the Articles of Incorporation and By-Laws of the DHADC, and authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458.

On May 26, 2004, the Dallas City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004, by Resolution No. 04-1726.

On November 10, 2004, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to prohibit the placement of industrialized housing on any property sold by Dallas Housing Acquisition and Development Corporation to a developer by Resolution No. 04-3193.

On February 22, 2006, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to delete the requirement that the Investment Committee review the developer's proposals to purchase lots from Dallas Housing Acquisition and Development Corporation by Resolution No. 06-0632.

On October 8, 2008, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to align the program with 2007 State statute changes including reducing the delinquent taxes from six consecutive years to five total years, adding uninhabitable vacant buildings or residences to the site assessment criteria and eliminating the community meeting requirement if the properties are packaged in groups of 10 or fewer lots by Resolution No. 08-2770.

On September 23, 2009, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to align the program with 2009 State statute changes including permitting the sale of non-developable property to eligible adjacent property owners, permitting the sale of two adjacent properties to a developer if at least one of the properties is developable and permitting a developer to exchange a property purchased from the Land Bank with any other property owned by the developer with agreement to construct an affordable house by Resolution No. 09-2312.

FISCAL INFORMATION

No cost consideration to the City

September 11, 2013

WHEREAS, on January 28, 2004, the 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 and: 1) approved the City of Dallas Urban Land Bank Demonstration Program Plan; 2) approved the Program Statement for the Dallas Urban Land Bank Demonstration Program; 3) authorized amendments to the Articles of Incorporation and By-Laws of the DHADC; and 4) authorized an interlocal contract with the affected taxing jurisdictions for participation in the Dallas Urban Land Bank Demonstration Program by Resolution No. 04-0458; and

WHEREAS, on May 26, 2004, the City Council authorized a contract with the DHADC for the provision of land bank services as set forth in the amended Program Statement for the Dallas Urban Land Bank Demonstration Program approved by the City Council on January 28, 2004, by Resolution No. 04-1726; and

WHEREAS, on November 10, 2004, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to prohibit the placement of industrialized housing on any property sold by Dallas Housing Acquisition and Development Corporation to a developer by Resolution No. 04-3193; and

WHEREAS, on February 22, 2006, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to delete the requirement that the Investment Committee review the developer's proposals to purchase lots from Dallas Housing Acquisition and Development Corporation by Resolution No. 06-0632; and

WHEREAS, on October 8, 2008, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to reduce the delinquent taxes from six consecutive years to five total years, add uninhabitable vacant buildings or residences to the site assessment criteria and eliminate the community meeting requirement if the properties are packaged in groups of 10 or fewer lots by Resolution No. 08-2770; and

WHEREAS, on September 23, 2009, the City Council approved an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program to permit the sale of non-developable property to eligible adjacent property owners, permit the sale of two adjacent properties to a developer if at least one of the properties is developable and permit a developer to exchange a property purchased from the Land Bank with any other property owned by the developer with agreement to construct an affordable house by Resolution No. 09-2312; and

September 11, 2013

WHEREAS, the City Council desires to approve an amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program (Exhibit "A") to align the Program Statement with 2013 state statute changes including reducing the number of housing units constructed by a qualified participating developer from three to one, expanding the definition of an eligible adjacent property owner to include any owner of adjacent property, before completion of the four-year period, permitting the transfer of property not suitable for development to the taxing entities or to be sold directly to a political subdivision or nonprofit organization and permitting grocery store development with a minimum of 6,000 square feet of enclosed space that offers for sale fresh produce and other food items for home consumption; **NOW, THEREFORE,**

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

Section 1. That the amendment to the Program Statement for the Dallas Urban Land Bank Demonstration Program, as shown on Exhibit "A", which aligns the Program Statement with 2013 state statute changes including reducing the number of housing units constructed by a qualified participating developer from three to one, expanding the definition of an eligible adjacent property owner to include any owner of adjacent property, before completion of the four-year period, permitting the transfer of property not suitable for development to the taxing entities or to be sold directly to a political subdivision or nonprofit organization and permitting grocery store development with a minimum of 6,000 square feet of enclosed space that offers for sale fresh produce and other food items for home consumption is approved.

Section 2. 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.

Dallas Urban Land Bank Demonstration Program Program Statement

Page 1

Program Purpose: To acquire, hold and transfer real property for affordable housing development to house low- and moderate-income households and to stabilize distressed communities. Property may be developed for home ownership or rental. Also, property may be developed for grocery stores with a minimum of 6,000 square feet.

The Dallas Housing Acquisition and Development Corporation (DHADC) is the Land Bank approved by the City Council for accomplishment of the program purpose. The DHADC will operate under the Articles of Incorporation and By-laws approved by the Dallas City Council and amendments authorized by the City Council from time to time. The DHADC will maintain properties it acquires in compliance with City of Dallas Code requirements.

The DHADC will comply with the requirements of the Public Information and Open Meetings provisions of the State Government Code, and will keep accurate minutes of its meetings. The DHADC will keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect the income and expenses of the DHADC and all transactions in relation to its property. The DHADC will file with the City, not later than December 30th, annual audited financial statements prepared by a certified public accountant.

Dallas Urban Land Bank Demonstration Program

For acquisition and sale of tax-foreclosed properties, the DHADC shall operate in compliance with the Dallas Urban Land Bank Demonstration Program Plan ("Land Bank Plan"), approved annually by the Dallas City Council, and Subtitle A, Title 12, Local Government Code, Chapter 379C, Urban Land Bank Demonstration Program ("Code"). The Land Bank Plan describes the City's methods for allowing the officer charged with selling unimproved real property ordered sold pursuant to the foreclosure of a tax lien to sell certain eligible real property by private sale for purposes of affordable housing development, which may include either home ownership or rental housing, or grocery store development with a minimum of 6,000 square feet of enclosed space that offers for sale fresh produce and other food items for home consumption. Lots may contain rental housing units above a retail/commercial/office development for rent to low and moderate income tenants. The Land Bank Plan includes the City's plan for development of tax-foreclosed properties acquired by the DHADC.

Dallas Urban Land Bank Demonstration Program Program Statement

Page 2

City Manager Responsibilities

The City of Dallas will adopt a Land Bank Plan annually. The City Manager or his/her designee will recommend the Land Bank Plan, in compliance with the Code, for City Council approval. The Land Bank Plan will consider other housing plans adopted by the City, including the comprehensive plan submitted to the United States Department of Housing and Urban Development ("HUD") and all fair housing plans and policies adopted or agreed to by the City. The Land Bank Plan will include:

1. A list of community development organizations eligible to participate in the right of first refusal provided by the Land Bank Plan;
2. A list of parcels of real property that may become eligible for sale to the Land Bank during the upcoming year;
3. The City's plan for affordable housing development on those parcels of real property;
4. The sources and amounts of funding anticipated to be available from the City at the time the Land Bank Plan is adopted or subsequently approved; and
5. Beginning with Fiscal Year 2004-05, the first year in which property is anticipated to be sold to qualified participating developers, the sale price of the properties to be sold.

The City Manager, or his/her designee, will identify properties that may become eligible for sale to the DHADC Land Bank from the Sheriff's sale for inclusion in the Land Bank Plan. Prior to a recommendation to the DHADC for tax-foreclosure in anticipation of Land Bank acquisition, each property will be assessed as to its suitability for development as described in the Land Bank Plan. In making an assessment of site suitability for affordable housing/grocery store development under the Urban Land Bank Demonstration Program, several factors will be reviewed, including but not limited to the following:

1. Are there delinquent taxes on the property for a total of at least five years?
2. Is the market value of the property as specified in the judgment of foreclosure less than the total amount due under the judgment, including all taxes, penalties, and interest plus the value of non-tax liens held by a taxing unit and awarded by the judgment, court costs, and cost of the sale?

Dallas Urban Land Bank Demonstration Program Program Statement

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3. Is the property unimproved or vacant or improved with an uninhabitable occupied structure?
4. Is the physical site of a size, shape and topography appropriate to build the proposed housing/grocery store?
5. Is the property location desirable for housing/grocery store development?
6. Are there building restrictions such as flood plain prohibitions?
7. Location in a special planning or zoning district, such as an historic district, should be noted early in the process in order to understand possible development requirements that will be necessary should the Land Bank acquire the property.

The City Manager, or his/her designee, will annually identify properties potentially eligible for sale to the DHADC Land Bank under the Dallas Urban Land Bank Demonstration Program and obtain approval of the participating taxing jurisdictions.

The City Manager, or his/her designee, will review all proposals recommended by the DHADC for purchase and development of Land Bank property, recommend proposals for approval to the City Council and notify the DHADC of those proposals approved by the City Council.

The City Manager will annually review DHADC requests for funding, if any, and will include a recommendation of that amount, if any, that he determines to be appropriate in his annual budget recommendation to the Dallas City Council.

The City Manager is authorized to implement the Dallas Urban Land Bank Demonstration Program in accordance with this Program Statement and establish guidelines and procedures to operate the Program.

DHADC Responsibilities

Following City recommendation of a property for acquisition by the DHADC Land Bank, the City and DHADC will coordinate with the legal service provider for the filing of a tax lawsuit subject to the consent of the participating taxing jurisdictions. The City will notify the participating taxing jurisdictions of properties referred to the legal service provider for a tax lawsuit. If the judgment in the tax lawsuit authorizes sale of the property to the Land Bank, DHADC will purchase the property from the officer charged by the Court with the sale of the property for an amount consistent with the sale price authorized in the interlocal agreement with the participating taxing jurisdictions.

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The Land Bank must sell property to a qualified participating developer within the four-year period following the date of acquisition. If after four years a qualified participating developer has not purchased the property, the property shall be transferred from the Land Bank to the taxing entities. Property not suitable for development may be transferred to the taxing entities or be sold directly to a political subdivision or nonprofit organization prior to completion of the four-year period.

Notwithstanding any other right of first refusal granted by the Code, if the Land Bank determines that a property owned by the Land Bank is not appropriate for residential development, the Land Bank shall first offer the property for sale to an eligible adjacent owner according to the terms and conditions developed by the Land Bank consistent with the Code. ~~Notwithstanding any other right of first refusal granted by the Code, the Land Bank shall first offer this property for sale to an eligible adjacent property owner according to terms and conditions developed by the Land Bank consistent with the Code.~~ The Land Bank shall sell the property to an eligible adjacent property owner for the lesser of (1) the fair market value for the property determined by the appraisal district in which the property is located or (2) the sales price recorded in the annual plan. An “eligible adjacent property” owner means a person who owns property located adjacent to property owned by the Land Bank ~~and has owned the adjacent property and continuously occupied that property as a primary residence for the two-year period preceding the date of the sale~~ and satisfies eligibility requirements adopted by the Land Bank. The DHADC is also authorized to submit bids at the Sheriff’s sale of tax-foreclosed real property.

Once the DHADC has acquired, at its determination, a sufficient number of properties for sale within a specific geographic area, the DHADC will hold a community meeting to seek public input on the development of the properties if the number of properties to be sold in a group to a developer is greater than ten properties. The DHADC will schedule the meeting at a time and date that allows for the attendance of the City Councilmember(s) representing the community in which the properties are located. Public notice of the meeting will be provided by DHADC to property owners and residents within 200 feet of the properties to be sold.

The DHADC will issue a Request for Proposals (RFP) for the purchase and development, which may include either home ownership or rental housing or grocery stores, of the properties identified by the DHADC as being ready for sale as presented at the community meeting. The RFP will include information as to the community input from the community meeting and the development requirements of the City, the Code and the Land Bank Plan.

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The DHADC Board will consider proposals and approve the sale of the property to a developer, subject to City Council approval. The DHADC will schedule a second community meeting, if the number of properties to be sold in a group to a developer is greater than ten properties, with the same notification requirements as described above for a developer who is not a community housing development organization with a right of first refusal as defined in the Code. At this second meeting, the DHADC and the recommended developer will present its development proposal to the community for additional comment. The DHADC Board may consider the additional community input.

The Land Bank may sell two adjacent properties that are owned by the Land Bank to a qualified participating developer if at least one of the properties is eligible for residential development and the developer agrees to replat the two adjacent properties as one property that is appropriate for residential development.

The DHADC may permit a qualified participating developer to exchange a property purchased from the Land Bank with any other property owned by the developer if the developer agrees to construct on the other property affordable housing for low income households as provided by the Code and the other property will be located in a planned development incorporating the property originally purchased from the Land Bank or another location as approved by the Land Bank. The Land Bank shall adjust the Deed Restrictions under Code Section 379C.010 for each of the properties exchanged by this Code.

Following City Council approval, each sale of property acquired by the DHADC Land Bank as a result of a tax-foreclosure lawsuit will comply with the Code and Land Bank Plan with regard to deed restrictions on the property for development, occupancy and use of property by qualified low- and moderate-income households. The DHADC may release the deed restrictions placed on the property upon compliance by the developer.

The DHADC shall prohibit the placement of industrialized housing or industrialized buildings, as those terms are defined in Chapter 1202 of the Texas Occupations Code, as may be amended, on any real property or part thereof sold by the DHADC to a Qualified Participating Developer or builder and shall enforce such prohibition by deed restriction, approved as to form by the City of Dallas City Attorney.

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Annually, not later than the date established by the City Manager, the DHADC will submit a request to the City for funding for the acquisition of property, legal services for tax lawsuits, operations of the DHADC Land Bank, and maintenance of the properties acquired. To support its request, the DHADC will determine:

1) the number of properties anticipated to be acquired during the upcoming fiscal year and the anticipated cost of acquisition; 2) the projected cost of legal services; 3) the projected administrative and operating costs; 4) the projected maintenance cost of properties held and to be acquired by the DHADC Land Bank and the anticipated period of time that the properties will be held; 5) the projected number of properties to be sold during the upcoming fiscal year and the sale price for the properties; and 6) the availability of non-City resources to cover such costs.

In making its funding request to the City, the DHADC will recommend pricing for the sale of the lots such that the revenues from the DHADC Land Bank sale of acquired properties will cover the legal service, operating and property maintenance costs and City funds will be for property acquisition only.

For purposes of evaluating the effectiveness of the Dallas Urban Land Bank Demonstration Program, the DHADC will submit an annual performance report to the City not later than November 1st of each year in which the DHADC sells property under the Dallas Urban Land Bank Demonstration Program. The performance report will include the information required by the Code and the Land Bank Plan.

The DHADC will maintain in its records for inspection a copy of the sale settlement statement for each property sold by a qualified participating developer and a copy of the first page of the mortgage note with the interest rate and indicating the volume and page number of the instrument as filed with the County Clerk. For each property developed as rental housing, the DHADC will maintain in its records for inspection a copy of the annual occupancy report filed by the owner. The DHADC will provide copies of the performance report to the taxing units who were parties to the judgment of foreclosure and will provide notice of the availability of the performance report for review to the organizations and neighborhood associations identified by the City as serving the neighborhoods in which properties sold to the DHADC Land Bank under the Urban Land Bank Demonstration Program are located. The DHADC and the City will maintain copies of the performance report available for public review.

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Acquisition of property not qualified for land bank tax foreclosure

The DHADC may undertake land acquisition, assemblage, maintenance and sale for affordable housing development of properties that do not qualify for tax foreclosure and acquisition under the Dallas Urban Land Bank Demonstration Program.

For property acquisition other than those under the Dallas Urban Land Bank Demonstration Program (DULBDP):

1. The DHADC may not use City funds to pay more than fair market value, based upon an independent property appraisal, for real property acquired;
2. The DHADC may not pay more than \$10,000 for a property, including closing costs, without specific City Council approval of the acquisition;
3. Property that is not acquired through the DULBDP may be sold for no more than the appraised value and costs of sale and for no less than the sale price approved by the City Controller for land bank lots in the annual plan for the DULBDP ~~Dallas Urban Land Bank Demonstration Program~~. Property sales must comply with the occupancy restrictions of the DULBDP and must be approved by City Council;
4. If funding for such acquisition is provided under the Dallas Residential Development Acquisition Loan Program or similar affordable housing or economic development program of the City of Dallas, DHADC actions will be governed by the City Council resolution authorizing the contract, the City Council approved Program Statement for the City Program under which the funding is provided, the terms of the contract between the City and the DHADC; and
5. The proceeds from the sale of property acquired under contract with the City of Dallas that is not acquired under the DULBDP ~~Dallas Urban Land Bank Demonstration Program~~ shall be considered program income to the City of Dallas program and funding source and shall be returned to the City unless specifically authorized otherwise in the contract between the City of Dallas and the DHADC.