

May 22, 2024

WHEREAS, on May 9, 2018, the City Council adopted the Comprehensive Housing Policy (CHP) by Resolution No. 18-0704; and

WHEREAS, after the adoption of the CHP, the City Council authorized multiple amendments to the CHP on November 28, 2018, by Resolution No. 18-1680; on May 22, 2019, by Resolution No. 19-0824; on March 27, 2019, by Resolution No. 19-0429 and Ordinance No. 31142; on June 12, 2019, by Resolution No. 19-0884; on June 26, 2019, by Resolution No. 19-1041; on September 25, 2019, by Resolution No. 19-1498; on December 11, 2019, by Resolution No. 19-1864; on September 9, 2021, by Resolution No. 21-1450; on January 22, 2020, by Resolution No. 20-0188; on August 26, 2020, by Resolution No. 20-1220; on January 27, 2021, by Resolution No. 21-0212; on September 9, 2021, by Resolution No. 21-1450; on October 13, 2021, by Resolution No. 21-1655; on October 13, 2021, by Resolution No. 21-1656; on May 11, 2022, by Resolution No. 22-0744; and on September 28, 2022, by Resolution No. 22-1432; and

WHEREAS, on May 22, 2019, the City Council authorized amendments to the CHP to establish a Land Transfer Program (LTP) by Resolution No. 19-0824; and

WHEREAS, on April 12, 2023, the City Council adopted a Dallas Housing Policy 2033 (DHP33) to replace the CHP by Resolution No. 23-0443, and the Dallas Housing Resource Catalog (DHRC) to include the approved programs from the CHP by Resolution No. 23-0444; and

WHEREAS, the Department of Housing & Neighborhood Revitalization continues operating its programs, previously authorized and adopted under the CHP, now as restated in the DHRC approved on April 12, 2023; and

WHEREAS, on March 27, 2024, the City Council authorized amendments to several programs in the Dallas Housing Resource Catalog, by Resolution No. 24-0421; and

WHEREAS, Southfair Community Development Corporation (Developer) submitted a proposal to purchase eleven vacant LTP lot and currently desires to purchase one LTP lot to be replatted and developed up to two to three townhomes and to be incorporated into the current Merlin Townhomes Project located at 2614 Merlin St, Dallas, TX 75215; and

WHEREAS, the tax-foreclosed lot is being sold pursuant to 34.051 of the Texas Property Tax Code; and

WHEREAS, to assist in the affordable housing production goals established in the CHP and restated in the DHP33 and/or the DHRC, the City desires to enter into a development agreement with the Developer.

Now, Therefore,

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

SECTION 1. That the City Manager is hereby authorized to **(1)** approve the sale of one Land Transfer Program (LTP) Lot held by the City to Southfair Community Development Corporation and/or its affiliates (Developer) for the purpose of developing affordable housing subject to restrictive covenants, a right of reverter, and execution of all necessary documents, pursuant to the City's Land Transfer Program; **(2)** release all non-tax City liens, notices or orders that were filed on one Land Transfer Program lot prior to or subsequent to the deed transferring the lot the City of Dallas; and **(3)** execute a development agreement with Developer for the construction of up to two to three affordable townhomes and incorporated into the current Merlin Townhomes Project located at 2614 Merlin St., Dallas, TX 75215, approved as to form by the City Attorney.

SECTION 2. That the City Manager is hereby authorized to execute all documents, including, but not limited to deed without warranty (subject to right of redemption for tax lots), restrictive covenants, deed of trust and any necessary documents to effectuate the sale of one Transfer Program lot shown in **Exhibit A** to Developer pursuant to the terms of development as described herein, approved as to form by the City Attorney. All lot(s) may revert to the City if City Manager or his/her designee determines that the Developer has:

1. failed to take possession of the land within 90 calendar days after receiving the deed to the parcels of real property;
2. failed to complete construction of all required housing units or other required development on the real property, or failed to ensure occupancy by eligible households within the development timeframe set forth in the development agreement;
3. incurred a lien on the property because of violations of City ordinances and failed to fully pay off the lien within 180 days of the City's recording of the lien; or
4. sold, conveyed, or transferred the land without the consent of the City.

Upon determination by the City Manager that a condition described above has occurred, the City Manager is authorized to execute an instrument, approved as to form by the City Attorney, exercising against the parcel of real property the City's possibility of reverter with right to reentry. The City shall file notice of the reverter and reentry of the land by the City in the real property records of the county in which the parcel of real property is located, which notice must specify the reason for the reverter and reentry. The City shall provide a copy of the notice to the Developer in person or by mailing the notice to the Developer's post office address as shown on the tax rolls of the City or of the county in

which the land is located.

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SECTION 3. That each tax foreclosed lot shall be sold to the Developer for a fixed price of \$1,000.00 for up to 7,500 square feet of land purchased under a single proposal, plus \$0.133 for each additional square foot of land purchased under the proposal, as detailed in **Exhibit A**. City will collect fees from Developer for the recording of documents related to the transfer of ownership. The proceeds from sale will be deposited to General Fund, Fund 0001, Department DEV, Balance Sheet Account 0519.

SECTION 4. That the City will provide Developer with a 120-day right of entry and due diligence period. During this period, the Developer will identify lot(s) with significant development challenges that may be undevelopable or may require significant remediation. Following the 120-day period, Developer must submit a final list of requested lot(s). The City may extend the due diligence period, as determined in the City's sole discretion.

SECTION 5. That the City Manager is hereby authorized to release all non-tax City liens, notices and orders that were filed on the lot, shown in **Exhibit A**, prior or subsequent to the deed transferring the lot to the City of Dallas, approved as to form by the City Attorney.

SECTION 6. That in addition to the conditions set out in the sections above, the development agreement shall include the following:

1. Developer is required to design, redevelop and construct single-family townhomes for sale to income-eligible homebuyers, on each LTP lot obtained by Developer from the City. Developer shall submit a development plan and the development plan must be approved by the City.
2. Upon transfer of ownership of each Land Transfer lot from the City to the Developer, Developer must maintain all vacant lots in compliance with all applicable city, state and federal regulations including maintaining the lot free of high weeds and litter.
3. No liens shall exist on the lot, except for liens related to the development of each lot. However, Developer shall ensure that each lot is free from liens or other encumbrances at the time of sale to each income-eligible homebuyer.
4. Developer shall ensure that all units have access to public sewer, public water, public road, and any other necessary utilities.
5. All units are to be sold to households earning between 60-80% of the of the Area Median Income (AMI). Each unit will be a minimum of three bedrooms, contain a two-car garage, and range from 1300-1600 square feet of living space. Units are to be sold to an income-eligible homebuyer at a sales price between \$180,000.00 and \$228,000.00.

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6. All Project costs must be reasonable and customary and conform with the DHP33, DHRC and, and any other applicable City regulations.
7. Units must be equipped with the following Energy Star rated appliances in conformity with the development standards outlined in the CHP: refrigerator, range/oven, dishwasher and garbage disposal.
8. Units must meet applicable Section 504 Rehabilitation Act and Uniform Federal Accessibility Standards requirements. If units are presold, Developer must make the unit accessible upon the request of the prospective buyer.
9. All income eligible homebuyers must meet the eligibility criteria set forth in the DHRC – City of Dallas Homebuyer Assistance Program, or a successor program.
10. Developer shall construct and sell each unit to income-eligible homebuyers within two years from the date of sale by the City to Developer. Developer may receive a one-year extension of any deadlines in the development agreement, subject to prior approval of the City Manager or designee.
11. Developer shall submit a marketing plan to the City for review and approval prior to construction. The marketing plan must identify the steps it is proposing to take in marketing the housing units to income-eligible homebuyers.
12. The term of affordability for each unit is five years from the filing date of the deed transferring the unit from Developer to homebuyer, which shall be enforced by the restrictive covenants filed against each property.
13. The City Manager may authorize minor modifications to the Project to reduce the amount of lot(s) sold to Developer and to modify the unit sales price, so long as such modification complies with the CHP, as restated in the Dallas Housing Resource Catalog.
14. Developer shall obtain a building permit for at least one unit within 60 days from the date of sale to Developer from the City.

SECTION 7. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to this transaction, until such time as the documents are duly approved by all parties and executed.

SECTION 8. 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.