

November 9, 2022

**WHEREAS**, on May 9, 2018, City Council adopted a Comprehensive Housing Policy (CHP) that set citywide production goals for homeownership and rental units for the next three years along with respective income bands that will be prioritized within the production goals and also set forth various programs, tools and strategies to be used to meet the production goals while also overcoming concentrations of poverty and racial segregation by Resolution No. 18-0704; and

**WHEREAS**, on May 22, 2019, City Council authorized amendments to the City of Dallas Comprehensive Housing Policy to establish a Land Transfer Program by Resolution No. 19-0824; and

**WHEREAS**, Citybuild Community Development Corporation (Developer) submitted a proposal to purchase 5 vacant Land Transfer Program lots to develop a health and wellness center; and

**WHEREAS**, the surplus lots are being sold in accordance with 272.001(g) of the Local Government Code and the tax foreclosed lots are 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 Comprehensive Housing Policy, the City desires to enter into a development agreement with Developer.

**Now, Therefore,**

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

**SECTION 1.** That the City Manager hereby authorizes the 1) sale of up to 5 Land Transfer Program lots to Citybuild Community Development Corporation, and/or its affiliates (Developer) subject to restrictive covenants, a right of reverter, and execution of all necessary documents, pursuant to the City's Land Transfer Program; 2) release of lien for all non-tax City liens, notices, or orders that were filed on up to 5 Land Transfer Program lots sold to Developer prior to or subsequent to the deeds transferring the lots to the City of Dallas; and 3) execution of a development agreement with Developer for the construction of a health and wellness center on the Land Transfer Program lots, 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 up to 5 Land Transfer Program lots shown in **Exhibit A** to Developer pursuant to the terms of development as described herein, approved as to form by the City Attorney. All lots may revert to the City if City Manager or his/her designee determines that the Developer has:

**SECTION 2.** (continued)

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 facility or other required development on the real property, or failed to ensure occupancy by eligible tenant 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. Title to the property sold under Chapter 253.011 of the Texas Local Government Code will revert to the City of Dallas when the property no longer primarily promotes the public purpose of the municipality.

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.

**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**. The proceeds from sale will be deposited to General Fund, Fund 0001, Department DEV, Balance Sheet Account 0519.

**SECTION 4.** That each surplus lot be offered at fair market values. A discount is available if project underwriting indicates that a discount is needed either to ensure the viable sale, lease or lease-purchase to an income qualified buyer. The lots noted as surplus in **Exhibit A** are being sold at a discounted price of \$1,000.00 each. The proceeds from sale will be deposited to General Fund, Fund 0001, Department DEV, Balance Sheet Account 0519.

**SECTION 5.** That the City will provide Developer with a 120-day right of entry and due diligence period. During this period, the Developer will identify lots 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 lots. The City may extend the due diligence period, as determined in the City's sole discretion.

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**SECTION 6.** That the City Manager is hereby authorized to release all non-tax City lien notices and orders that were filed on the lots sold to Developer, shown in **Exhibit A**, prior or subsequent to the deed transferring the lots to the City of Dallas, approved as to form by the City Attorney.

**SECTION 7.** 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 a health and wellness facility, for-lease to an eligible tenant, on the Land Transfer Program lots 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 the lots 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 lots free of high weeds.
3. No liens shall exist on the lots, except for liens related to the development of each lot.
4. Developer shall ensure that all tenants have access to public sewer, public water, public road and any other necessary utilities.
5. All Project costs must be reasonable and customary and conform with the Comprehensive Housing Policy, and any other applicable City regulations.
6. Developer shall construct and lease the facility to an eligible tenant within two (2) years from the date of sale by the City to Developer. Developer may receive a one (1)-year extension of any deadlines in the development agreement, subject to prior approval of the City Manager or designee.
7. The term of the lease with an eligible tenant is twenty (20) years from the execution of the lease with an eligible tenant, which shall be enforced by the restrictive covenants filed against each property.
8. The City Manager may authorize minor modifications to the Project to reduce the amount of lots sold to Developer, so long as such modification complies with the CHP.
9. Developer shall obtain a building permit for the project within 180 days from the date of sale to Developer from the City.

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**SECTION 8.** 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 9.** 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.