

# Memorandum



CITY OF DALLAS

DATE September 27, 2021

TO Honorable members of the Housing and Homelessness Solutions Committee: Casey Thomas II (Chair), Jesse Moreno (Vice Chair), Cara Mendelsohn, Paul Ridley, Carolyn King Arnold, Paula Blackmon, Jaynie Schultz

SUBJECT Consideration and Approval of the Sale of Land Transfer Lots to a Qualified Participating Developer

On Monday, September 27, 2021, the Housing and Homelessness Solutions Committee will be briefed on the proposed sale of Land Transfer lots to a qualified participating developer.

## **Summary**

The City of Dallas Land Transfer Program, which was established by City Council in 2019 and is administered by the Department of Housing and Neighborhood Revitalization, currently has an inventory of 71 lots that are offered for sale.

Lots in the Land Transfer Program are sold to eligible developers via an application process for the purpose of constructing affordable housing units and sale to income eligible homebuyers. Recently, staff received and reviewed an application from an eligible developer, Titan and Associates, Inc. for the purchase of ten (10) Land Transfer lots. This memorandum provides an overview of the application submitted by Titan and Associates, Inc. for HHS committee consideration.

## **Background**

On May 22, 2019, City Council adopted the Land Transfer Program via Resolution No. 19-0824. The purpose of the Land Transfer Program is to incentivize: (1) the development of quality, sustainable housing that is affordable to the residents of the City and (2) the development of other uses that complement the City's Comprehensive Housing Policy, economic development policy, or redevelopment policy. Specifically, the Land Transfer Program authorizes the City to sell qualifying city-owned real property and resell tax-foreclosed real property to for-profit, non-profit and/or religious organizations in a direct sale at less than fair market value of the land, consistent with the authorizing state statute or city ordinance.

In July 2021, an eligible developer, Titan and Associates submitted an application (proposal) to purchase a total of 10 Land Transfer lots. Housing Department staff

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evaluated the application pursuant to the standards set forth in the Land Transfer Program guidelines, which included determining whether the developer met the eligibility standards to be deemed a “Qualified Participating Developer” and underwriting the proposal. The application was determined to be “complete” and was assigned a score by Housing Department staff. Housing Department staff collaborated with the qualified participating developer regarding the terms of sale of the vacant lots as well as the terms related to the construction and subsequent sale of single-family housing units to income eligible homebuyers.

The Developer being considered for the sale of 10 lots is Titan and Associates, Inc. The Developer is a domestic for-profit corporation formed in Texas in 2014 and is MWBE-certified, licensed with the City of Dallas and is a participant in the City’s Home Improvement and Preservation Program. The company has seven years of home building experience as well as home renovation experience. To date, the applicant has constructed and sold market rate homes in Dallas and the surrounding area. The company does have experience constructing and selling in the target area of South Dallas to homebuyers in the income range as the Land Transfer Program. The applicant has a current line of credit to support this project 1.43 times. The Chief Executive Officer of the company is Kwame Ellis.

The proposal indicates the construction of 11 single family units ranging from 1,416 square feet to 1,515 square feet with a minimum of three bedrooms and two baths. The developer proposes to re-plat 1507 Presidio into two lots due to the size of the lot, 17,637 square feet. The price range of the proposed units will be \$205,000.00 - \$215,000.00 targeting homebuyers in an income range of 61 - 120% AMI, of which 5 units will be used to target homebuyers in an income range of 61 - 80% AMI. The developer intends to market the City of Dallas Homebuyer Assistance Program to those homebuyers categorized in the 61 - 80% AMI range.

The development terms applicable to each lot are as follows:

- **Vacant Lot Sales Price:** Attached as Exhibit A.
- **Single-Family Home Sales Price:** The sales price of the home cannot exceed the 2021 HUD HOME homeownership sales price for the Dallas, TX HUD Metro FMR Area and must be affordable based on the income of the targeted homebuyer.
- **Targeted Income of Homebuyer:** 61 - 120% AMI.
- **Construction Timeframe:** Developer must apply for a construction permit and close on any construction financing within 60 days of purchase from the City. In addition, Developer should complete construction and sale of each affordable housing unit to an income eligible homebuyer within two years of the date of acquisition of the vacant lot utilized for construction of the unit.

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- **Restrictive Covenants:** Developer must: (1) sell each lot to an income eligible household and (2) prior to the sale, must provide to Department of Housing and Neighborhood Revitalization staff written documentation of the income of the proposed purchaser and the sales price. After sale of the home, the property must be occupied as an income eligible household's principal residence during the entire term of the affordability period.
- **Affordability Period:** Once the property is sold to an income eligible household, it must be occupied as the household's principal place of residence for at least five years. If the original purchaser re-sells the property during the affordability period, the property may only be sold to another income eligible household.
- **Right of Reverter:** Title to the property may revert to the City if Developer does not apply for a construction permit and close on any construction financing within 60 days of purchase from the City or does not complete the construction and sale of the affordable housing unit to an income eligible homebuyer within two years.

## **Issues**

The City incurs costs related to maintaining lots in its inventory. If the Committee does not approve forwarding the proposed development to City Council to consider for approval of the sale of the 10 vacant lots to the Qualified Developer, the City will be required to continue expending funds to maintain the unsold inventory.

## **Fiscal Impact**

The City of Dallas will receive revenue from the sale of the lots, see attached Exhibit A, in the amount of \$13,012.85. The sales price for each lot is a minimum of \$1,000 for lots up to 7,500 square feet and an additional \$0.133 per square foot for lots which exceed 7,500 square feet. Upon completion of the proposed 11 housing units the expected property tax revenue for the City of Dallas is expected to be approximately \$17,971.35 annually. In addition, Exhibit A details the Estimated Foregone Revenues from the release of non-tax City liens: \$21,160.82.

## **Staff Recommendation**

Staff recommends that the Housing and Homeless Solutions Committee move this item forward to City Council so that it may consider and approve of the sale of 10 vacant lots held by the City to the Qualified Participating Developer pursuant to the terms of development set forth in this memorandum.

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### **Next Steps**

Upon receiving Committee approval, staff will place this item on the next available City Council agenda.

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



Dr. Eric Anthony Johnson

Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Biliera 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  
M. Elizabeth Reich, Chief Financial Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

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**Exhibit A**  
**Titan and Associates, Inc.**

Lot #	Street #	Street Name	Neighborhood	CD	Area (SF)	Purchase Price	Type	Proposed Homebuyer AMI	Non- Tax Lien Amount
1	3331	BEALL ST	Dolphin Heights	7	3398	\$ 1,000.00	tax foreclosed	61-80%	\$ 1,821.51
2	3322	BEALL ST	Dolphin Heights	7	3600	\$ 1,000.00	tax foreclosed	61-80%	\$ -
3	3327	BEALL ST	Dolphin Heights	7	3600	\$ 1,000.00	tax foreclosed	61-80%	\$ 3,149.87
4	3310	DETONTE ST	Dolphin Heights	7	4809	\$ 1,000.00	tax foreclosed	61-80%	\$ -
5	4714	DOLPHIN RD	Dolphin Heights	7	3200	\$ 1,000.00	tax foreclosed	81-120%	\$ 3,785.78
6	1522	E ANN ARBOR AVE	Oak Cliff	4	9419	\$ 1,255.23	tax foreclosed	81-120%	\$ 1,854.40
7	1506	PRESIDIO AVE	Oak Cliff	4	17637	\$ 2,348.22	tax foreclosed	81-120%	\$ -
8	1403	MAYWOOD AVE	Oak Cliff	4	8518	\$ 1,135.39	tax foreclosed	81-120%	\$ -
9	2524	MARJORIE AVE	Oak Cliff	4	17079	\$ 2,274.01	tax foreclosed	81-120%	\$ 7,251.34
10	2436	HUDSPETH AVE	Oak Cliff	4	6183	\$ 1,000.00	tax foreclosed	81-120%	\$ 3,297.92
<b>Total Purchase Price</b>						<b>\$ 13,012.85</b>	<b>Total Non-Tax Lien Amount</b>		<b>\$ 21,160.82</b>



# Land Transfer Lots Requested by Developer Titan and Associates, Inc

