

June 28, 2023

WHEREAS, on January 28, 2004, the City Council authorized the designation of 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, by Resolution No. 04-0458; and

WHEREAS, on May 9, 2018, the 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 April 12, 2023, the City Council adopted a Dallas Housing Policy 2033 to replace the CHP by Resolution No. 23-0443, and the Dallas Housing Resource Catalog to include the approved programs from the CHP by Resolution No. 23-0444; and

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

WHEREAS, on April 26, 2023, the City Council approved the FY 2022-2023 Urban Land Bank Demonstration Program Plan by Resolution No. 23-0587; and

WHEREAS, Kori Homes, Inc. (Developer) submitted a proposal to purchase four vacant Land Bank Program lots to develop up to four single-family affordable housing units; and

WHEREAS, on April 27, 2023, the DHADC Board of Directors authorized the terms of sale and development of the four vacant Land Bank Program lots to be sold to Developer; and

WHEREAS, to assist in the affordable housing production goals established in the CHP and restated in the Dallas Housing Policy 2033 and/or the Dallas Housing Resource Catalog, the City desires to approve the sale of four vacant Land Bank Program lots owned by DHADC and enter into a development agreement with Kori Homes, Inc.

Now, Therefore,

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

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SECTION 1. That the City Manager hereby authorizes the **(1)** sale of up to four Land Bank Program lots to Kori Homes, Inc., 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 Bank Program; **(2)** release of lien for all non-tax City liens, notices, or orders that were filed on up to four Land Bank Program lots sold to Developer prior to or subsequent to the deeds transferring the lots to the Dallas Housing Acquisition and Development Corporation; and **(3)** execution of a development agreement with Developer for the construction of up to four single-family homes on the Land Bank Program lots, approved as to form by the City Attorney.

SECTION 2. That the DHADC is hereby authorized to execute all documents, including, but not limited to deed without warranty (subject to right of redemption), restrictive covenants, deed of trust and any necessary documents to effectuate the sale of up to four vacant Land Bank Program lots shown in **Exhibit A** to Developer pursuant to the terms of development as described herein, as approved as to form by the City Attorney. All lots may revert to the Dallas Housing Acquisition and Development Corporation if the 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 DHADC.

Upon determination by the City Manager or his/her designee that a condition described above has occurred, the City Manager or his/her designee is authorized to execute an instrument, exercising against the parcel of real property the City's possibility of reverter with right to reentry. The DHADC shall file notice of the reverter and reentry of the land by the DHADC 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 DHADC 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 lot shall be sold to the Developer for a fixed price of \$11,500.00 for those lots to be developed with units targeting homebuyers at an Area Median Income (AMI) of 60% and below, \$13,500.00 for those lots to be developed with units targeting homebuyers at an AMI of 61% - 80% and \$15,500.00 for those lots to be developed with units targeting homebuyers at an AMI of 81% - 115%., as detailed in **Exhibit A**. DHADC will collect fees from Developer for the recording of documents related to the transfer of ownership. The proceeds from sale and associated fees will be deposited to Dallas Housing Acquisition and Development Corporation Operating Fund Account.

SECTION 4. That the DHADC 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 DHADC may extend the due diligence period, as determined in the DHADC'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 lots sold to Developer, shown in **Exhibit A**, prior or subsequent to the deed transferring the lots to the DHADC, 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 a single-family home, for sale to eligible homebuyers, on each Land Bank Program lot obtained by Developer from the DHADC. Developer shall submit a development plan and the development plan must be approved by the DHADC.
2. Upon transfer of ownership of the lots from the DHADC 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. 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 single-family homes (units) 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 CHP, and any other applicable City regulations.
6. Each unit must range from 1,355 to 1,630 square feet with a minimum of three bedrooms and two baths.

SECTION 6. (continued)

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. One unit must be sold to a homebuyer in an income range of 81 -115 percent of the Area Median Income (AMI), two units must be sold to a homebuyer in an income range of 61 - 80 percent AMI and one unit must be sold to a homebuyer in an income range of 60 percent AMI and below.
10. Units must be sold to an income eligible homebuyer at a maximum sales price of \$182,000.00 for those units targeting homebuyers at an AMI of 60% and below, \$215,000.00 for those units targeting homebuyers at an AMI of 61% - 80% and \$255,000.00 for those units targeting homebuyers at an AMI of 81% - 115%.
11. All income eligible homebuyers must meet the eligibility criteria set forth in the Dallas Housing Resource Catalog - City of Dallas Homebuyer Assistance Program, or a successor program.
12. Developer shall construct and sell each unit to eligible homebuyers within four years from the date of sale by the DHADC to Developer. Developer may receive one one-year extension of any deadlines in the development agreement, subject to prior approval of the DHADC.
13. Developer shall submit a marketing plan to the DHADC 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.
14. 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.
15. The City Manager or his/her designee may authorize minor modifications to the Project to reduce the amount of lots 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.
16. Developer shall obtain a building permit for at least one unit within 60 days from the date of sale to Developer from the DHADC.

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SECTION 7. That this resolution does not constitute a binding agreement upon 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.