

Memorandum



CITY OF DALLAS

DATE January 9, 2020

TO The Honorable Members of the Housing and Homelessness Solutions Committee:
Chad West, Chair, Casey Thomas, Vice-Chair, Carolyn King Arnold, Lee M. Kleinman,
Paula Blackmon, Cara Mendelsohn, Jaime Resendez

SUBJECT **Consideration and Approval of the 2019-2020 Dallas Urban Land Bank
Demonstration Program Annual Plan**

Summary

On January 14, 2020, the Housing and Homelessness Solutions Committee will consider whether to recommend that the City Council hold a public hearing on January 22, 2020 to receive comments on the proposed City of Dallas FY 2019-20 Urban Land Bank Demonstration Program Plan and upon the close of the public hearing, approve the City of Dallas FY 2019-20 Urban Land Bank Demonstration Program Plan (Plan) in accordance with Chapter 379C of the Texas Local Government Code.

Background

The Urban Land Bank Demonstration Act (Act), codified in Texas Local Government Code Chapter 379C, as amended (Code), allows the governing body of a municipality to adopt an urban land bank demonstration program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for the public purpose of affordable housing development or other purposes outlined in the Act.

The governing body of a municipality that adopts an urban land bank demonstration program must adopt a Plan annually. The Plan must include the following:

1. a list of community housing development organizations eligible to participate in the right of first refusal provided by Texas Local Government Code Section 379C.011;
2. a list of the parcels of real property that may become eligible for sale to the land bank during the upcoming year;
3. the municipality's plan for affordable housing development on those parcels of real property; and
4. the sources and amounts of funding anticipated to be available from the municipality for subsidies for development of affordable housing in the municipality, including any money specifically available for housing developed under the program, as approved by the governing body of the municipality at the time the plan is adopted.

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Last year, staff from the Department of Housing and Neighborhood Revitalization (Department) recommended numerous changes to the Plan so that it aligned with the newly adopted comprehensive housing policy (CHP). This year, the only significant change that staff is recommending to the Plan is the addition of the following paragraph related to housing design, a concept that was not previously mentioned in the Plan:

“Design Guidelines

The DHADC strongly encourages the incorporation of defining features of a neighborhood into newly constructed infill houses. Those defining features of older inner-city neighborhoods may include: roof pitches, porches, materials and window types. Developers must comply with any standards established by an existing neighborhood conservation district and/or neighborhood plan. Additionally, all projects must advance the principles and policies contained in the City of Dallas Complete Streets Design Manual. Site plans and building designs should contribute towards safe and convenient pedestrian, bicycle, transit and automobile access to the extent possible within the project site and the adjacent public right of way frontage. When required, developers will be required to demonstrate that the neighborhood association near the land to be developed has been consulted on any and all design issues. Developers should obtain feedback from neighborhood residents and collaborate to ensure that designs are compatible with existing housing and development patterns.”

The draft Plan was made available to the public on November 21, 2019 at the Dallas Housing Acquisition and Development Corporation board meeting. It was also posted on the department’s website at www.dallashousingpolicy.com and sent to stakeholders who have signed up to receive notifications via the Housing Policy Taskforce listserv. In order to encourage community and developer interest in potential land bank lots, staff also published an interactive map showing the location of all lots eligible for sale to the land bank in FY 2019-20. The interactive map allows users to view parcel-specific data related to delinquent taxes, unpaid non-tax liens (ex. mowing liens), and the length of time in which taxes were delinquent and/or unpaid liens have existed on the parcel.

Issue

There currently exist more properties eligible for sale to the land bank than the land bank and its vendors have traditionally been able to process within one year. Therefore, if City Council approves the Plan, staff will need to strategically select which lots to refer for foreclosure during FY 2019-20. In alignment with the Plan, staff will focus its acquisition efforts on:

1. acquiring eligible parcels zoned for residential use or suitable for residential use that are located in close geographic proximity to one another in order to reduce

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development costs related to the creation of affordable housing units and to most effectively strengthen neighborhoods;

2. to the extent that eligible parcels are available, acquiring parcels zoned for residential use or suitable for residential use that are located within the Emerging Market and Stabilization Reinvestment Strategy Areas (RSAs) adopted by the Dallas City Council as part of the Comprehensive Housing Policy (Housing Policy) on May 9, 2018 via Resolution 180704; and
3. acquiring eligible parcels zoned for residential or commercial use that are located near existing or planned mixed-income housing developments, City-owned land, or City-supported economic development projects that, if developed with affordable housing units or a commercial use, would support the City's affordable housing strategy.

Additionally, the land bank has only 41 lots in its inventory. Because the tax foreclosure process typically takes 12-18 months, the land bank will likely run out of inventory at some point in 2020. However, the City will be able to continue to incentivize the development of affordable housing through the Land Transfer program, which is another component of the Department's coordinated land acquisition and resale strategy.

Fiscal Impact

On September 12, 2018, the City Council voted to allocate \$1.5 million in 2006 bond funds to the land bank via Resolution No. 18-1287. The land bank will acquire properties in FY 2019-20 using this funding source.

Staff Recommendation

Staff recommends that the Housing and Homelessness Solutions Committee recommend that the City Council hold a public hearing on January 22, 2020 to receive comments on the proposed City of Dallas FY 2019-20 Urban Land Bank Demonstration Program Plan and upon the close of the public hearing, approve the City of Dallas FY 2019-20 Urban Land Bank Demonstration Program Plan in accordance with Chapter 379C of the Texas Local Government Code.

Please feel free to contact David Noguera, Director of Department of Housing & Neighborhood Revitalization at 214-670-5988, or david.noguera@dallascityhall.com if you have any questions or need additional information.

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Chief of Economic Development & Neighborhood Services

c: T.C. Broadnax, City Manager
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Mark Swann, City Auditor
Billieae Johnson, City Secretary
Preston Robinson, Administrative Judge
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Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
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Directors and Assistant Directors