



Legislation Details (With Text)

File #: 21-1699 **Version:** 1 **Name:**
Type: CONSENT AGENDA **Status:** Approved
File created: 9/1/2021 **In control:** Department of Housing & Neighborhood Revitalization
On agenda: 10/27/2021 **Final action:**

Title: Authorize (1) the sale of up to 10 Land Transfer lots to Titan and Associates, Inc., and/or its affiliates (Developer) subject to restrictive covenants and a right of reverter and conditioned upon execution of all necessary documents, pursuant to the City's Land Transfer Program - Estimated Revenue: General Fund \$13,012.85; (2) the release of all non-tax City liens, notices, or orders that were filed on the subject lots 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 up to 11 single-family homes on the Land Transfer lots - Estimated Revenue Foregone: \$21,160.82 (see Fiscal Information)

Sponsors:

Indexes: 4, 7

Code sections:

Attachments: 1. Map, 2. Resolution, 3. Exhibit A

| Date | Ver. | Action By | Action | Result |
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STRATEGIC PRIORITY: Economic and Neighborhood Vitality

AGENDA DATE: October 27, 2021

COUNCIL DISTRICT(S): 4, 7

DEPARTMENT: Department of Housing & Neighborhood Revitalization

EXECUTIVE: Dr. Eric A. Johnson

SUBJECT

Authorize **(1)** the sale of up to 10 Land Transfer lots to Titan and Associates, Inc., and/or its affiliates (Developer) subject to restrictive covenants and a right of reverter and conditioned upon execution of all necessary documents, pursuant to the City's Land Transfer Program - Estimated Revenue: General Fund \$13,012.85; **(2)** the release of all non-tax City liens, notices, or orders that were filed on the subject lots 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 up to 11 single-family homes on the Land Transfer lots - Estimated Revenue Foregone: \$21,160.82 (see Fiscal Information)

BACKGROUND

On May 22, 2019, City Council authorized the Land Transfer Program by Resolution No. 19-0824, as amended, for the purpose of incentivizing: (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, as applicable, in a direct sale at less than fair market value of the land, consistent with the authorizing state statute or city ordinance. 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.

In July 2021, a qualified participating developer, Titan and Associates, Inc., submitted an application (proposal) to purchase a total of 10 Land Transfer lots. The Department of Housing & Neighborhood Revitalization (Housing) 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 met the minimum score to be eligible. Housing collaborated with Titan and Associates, Inc. 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 obtained a line of credit specifically 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 replat 1506 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 percent Area Median Income (AMI), of which 5 units will be used to target homebuyers in an income range of 61 - 80 percent AMI. The developer intends to market the City of Dallas Homebuyer Assistance Program to those homebuyers categorized in the 61 - 80 percent 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 U. S. Department of Housing and Urban Development (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 percent Area Median Family Income (AMFI).

- **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.
- **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 & 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 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.

ESTIMATED SCHEDULE OF PROJECT

| | |
|------------------|---------------|
| Begin Project | November 2021 |
| Complete Project | November 2023 |

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Housing and Homelessness Solutions Committee was briefed by memorandum regarding this matter on September 23, 2021. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=9821336&GUID=8DA77878-E6D4-49D6-9578-24EA12A0B5CB>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=9821336&GUID=8DA77878-E6D4-49D6-9578-24EA12A0B5CB)

FISCAL INFORMATION

Estimated Revenue: \$30,984.20 (include estimated future property tax revenue and the sale of lots)

City of Dallas will receive revenue from the sale of the lots, see attached **Exhibit A**, in the amount of \$13,012.85. For tax foreclosed lots, the sales price for each lot is a minimum of \$1,000.00 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 \$17,971.35 annually.

Estimated Revenue Foregone: General Fund \$21,160.82

Additionally, **Exhibit A** details the Estimated Foregone Revenues from the release of non-tax City liens: \$21,160.82

M/WBE INFORMATION

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

| Contract Amount | Category | M/WBE Goal | M/WBE % | M/WBE \$ |
|----------------------------------------------------------------|-----------------|-------------------|----------------|-----------------|
| \$1,924,327.00 | Construction | 32.00% | 32.00% | \$615,785.00 |
| • This contract meets the M/WBE goal. | | | | |
| • Titan and Associates, Inc. - Local; Workforce - 62.50% Local | | | | |

OWNER

Titan and Associates, Inc.

Kwame Ellis, Chief Executive Officer

MAP

Attached