



## Legislation Text

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**File #:** 19-1142, **Version:** 1

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**STRATEGIC PRIORITY:** Economic and Neighborhood Vitality  
**AGENDA DATE:** September 25, 2019  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing & Neighborhood Revitalization  
**EXECUTIVE:** Michael Mendoza

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### **SUBJECT**

Authorize the Dallas Housing Acquisition and Development Corporation (DHADC) to enter into a one-year contract commencing on October 1, 2019, with four one-year renewal options with Terracon Consultants, Inc. to provide environmental services as related to the acquisition and sale of up to 300 lots acquired by DHADC during the one-year term of the contract and same number of lots for each subsequent renewal - Not to exceed \$510,000.00 annually - Financing: Economic and Southern Area Transit-Oriented Development Fund (2006 Bond Funds)

### **BACKGROUND**

The primary objective of the Urban Land Bank Demonstration Program (Program) is to acquire unproductive, vacant, and developable parcels of real property and parcels improved with abandoned, vacant, and uninhabitable structures for affordable housing or commercial development. The DHADC is an instrumentality of the City and has been designated by the City to administer the Program on its behalf. The acquisition of unproductive parcels will enable the DHADC to facilitate the development of new single-family homeownership units, multifamily rental units, and lease-purchase units on the parcels to house low- and moderate-income households and, on appropriate parcels, allow commercial development that will complement the City's affordable housing strategy.

For a parcel to be eligible for sale to the DHADC:

- the market value of the property as specified in the judgment of foreclosure must be less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale;
- the parcel of land must not be improved with a habitable building or buildings or an uninhabitable building or buildings that are occupied as a residence by an owner or tenant who is legally entitled to occupy the building or buildings; and

- the parcel of land must have delinquent taxes on the property for a total of at least five years as reported by Dallas County.

### **Environmental Services**

After strategic identification of properties to be included in Program inventory, due-diligence must be completed on each property including an environmental review to determine if the property has environmental issues that need to be addressed. The environmental review is required to allow DHADC to make an informed decision regarding whether to acquire the property or not.

Before the DHADC refers a parcel of real property to its legal services provider to initiate the tax foreclosure process, or otherwise seeks to acquire a property, the environmental company will:

- Provide the limited environmental site assessment for each parcel of real property within three weeks from receiving the request from DHADC;
- Provide any other additional services within the timeframes set forth in the contract for professional services; and
- Promptly inform the DHADC staff of any anticipated delays in meeting these requirements, an estimate of the length of delay, and a plan for resolving the delay.

The term of this contract will be for one year with the possibility of four one-year renewal options, subject to appropriation and approval by the DHADC or City Council, if necessary.

In order to select an environmental services company to perform the necessary services, a Request for Qualifications (RFQ) was sent to five environmental services firms and four proposals were received. Program staff evaluated the proposals pursuant to the standards set forth in the RFQ, which included determining whether the environmental services company had the experience and capacity to perform all environmental-related functions necessary to effectively operate of the Program. Each proposal was reviewed and scored by an evaluation committee. After determining that Terracon Consultants, Inc. was the most qualified proposer, Program staff negotiated with the environmental services company regarding the terms of the contract. On August 8, 2019, the DHADC Board of Directors authorized a contract with Terracon Consultants, Inc., subject to City Council approval.

This action will authorize the DHADC to enter into a one-year contract and to exercise four one-year renewal options to extend the contract, with Terracon Consultants, Inc. to provide environmental services for up to 300 lots acquired by the DHADC during the one-year term of the contract in an amount not to exceed \$510,000.00 annually, subject to appropriation and approval by the DHADC or City Council, if necessary.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On January 28, 2004, City Council authorized the designation of the DHADC to operate its Program for the purpose of acquiring, holding and transferring unimproved real property under Chapter 379C of the Local Government Code by Resolution No. 04-0458.

On September 12, 2018, City Council authorized an appropriation up to \$1,500,000.00 in 2006 General Obligation Bond Funds to the Program for capital costs related to acquisition and disposition of unimproved, tax-foreclosed, real property for the development of affordable housing or other commercial purposes by Resolution No. 18-1287.

On January 9, 2019, City Council held a public hearing to receive comments on the proposed City of Dallas FY 2018-19 Program Plan and approved the FY 2018-19 Urban Land Bank Demonstration Program Plan by Resolution No. 19-0117.

On August 8, 2019, the DHADC Board of Directors authorized a one-year contract with Terracon Consultants, Inc. with four one-year renewal options, subject to City Council approval.

City Council will be briefed by memorandum regarding this matter on September 20, 2019.

### **FISCAL INFORMATION**

Economic and Southern Area Transit-Oriented Development Fund (2006 Bond Funds) - \$510,000.00