

070674

February 28, 2007

WHEREAS, Holland Capital Corporation, Inc. submitted 1 written request (Proposal) asking the City to release the non-tax liens on the vacant privately held property located at 421 Alcalde St. (Property), in exchange for paying delinquent property taxes, post judgment fees, penalties and interest owed to all taxing units at or prior to its closing of the purchase of the Property and development of affordable housing on the property; and

WHEREAS, simultaneous with the release of non-tax liens on the Property, Holland Capital Corporation, Inc. will execute an unsecured promissory note for the value of the non-tax liens which will be released at closing of the sale of the affordable housing unit to a low income household; and

WHEREAS, the Seller's deed to the Property will contain requirements that Holland Capital Corporation, Inc. develop one (1) unit (approximately 1,500 square feet) on the Property to sell for an estimated price of \$123,000 to a low-income household within two (2) years of release of non-tax liens, the improved Property be deed restricted for five (5) years, and right assigned to the City to acquire the Property in the event Holland Capital Corporation, Inc. does not timely develop and sell the improved Property, in accordance with the Proposal, to a low-income individual or family whom income qualifications has been approved by the City; and

WHEREAS, Holland Capital Corporation, Inc. will provide income information to the City on the homebuyer of the Property for verification and approval, prior to the time that Holland Capital Corporation, Inc. obtains interim construction loan financing from its lender; **NOW, THEREFORE,**

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

Section 1. That the City Manager, or designee, is authorized to execute a lien release in the original principal amount of \$2,351 for demo, structure, and weed liens, including an additional estimated \$2,343 in penalties and interest accruing to the date of closing on the Property, and such releases to be approved as to form by the City Attorney and attested by the City Secretary.

Section 2. That the City Manager, or designee, is authorized to deliver the non-tax lien release for the Property to Holland Capital Corporation, Inc., contingent upon: (1) payment of delinquent property taxes, post judgment amount, penalties and interest on the Property (2) issuance of title insurance to Holland Capital Corporation, Inc. with any liens acceptable to the City, (3) the consent of any lien-holders to deed restrictions executed on the Property, (4) approval of the seller's deed and deed restrictions for the Property by the City Attorney, and (5) execution of unsecured promissory note by Holland Capital Corporation, Inc. for the value of the non-tax liens that will be released at closing of the sale of the affordable housing unit on the Property to a low-income household.

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Section 3. That Holland Capital Corporation, Inc. proposes to construct one house (four bedrooms and two baths) for sale at approximately \$123,000 to a low-income homebuyer.

Section 4. That the Seller's deed to the Property will contain:

(1) a requirement that Holland Capital Corporation, Inc. develop one (1) unit on the Property as affordable housing for a low-income household within two (2) years of release of non-tax liens,

(2) a requirement that Holland Capital Corporation, Inc. transfer title to and secure occupancy of the improved Property by a low-income household (household income at or below 80% of area median income) within two (2) years of release of non-tax liens,

(3) deed restrictions on the Property, acceptable to the City, requiring the improved Property to remain affordable to a low-income household for five (5) years after initial occupancy, and

(4) right assigned to the City to acquire the Property in the event Holland Capital Corporation, Inc. does not timely develop and sell the improved Property, in accordance with the proposal, to a low-income individual or family whom income qualifications have been approved by the City.

Section 5. That the City acceptance of the written request does not obligate the City of Dallas to provide any funding for the development of the Property.

Section 6. That Holland Capital Corporation, Inc. is prohibited from selling the Property to any person who has been delinquent on City taxes or non-tax accounts in the preceding 5 years.

Section 7. That the City Manager, or designee, is authorized to release the unsecured promissory note in the estimated amount of \$4,694 for the Property for the value of the non-tax liens upon Holland Capital Corporation, Inc.'s compliance with the sale of the improved property to an approved low-income household within two (2) years of the date of release of the non-tax liens.

Section 8. That the City Manager, or designee, is authorized to execute instruments, approved as to form by the City Attorney, terminating the deed restrictions to the Property and releasing the City's right to forfeiture of the Property upon compliance with the terms of the instruments.

Section 9. That this resolution and approval does not constitute a binding legal obligation on the City until compliance with all terms and conditions have been met and the execution and delivery of the loan documentation at closing of the sale of the Property to Buyer occurs.

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Section 10. 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.

DISTRIBUTION:

Housing Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN
Office of Property Management

APPROVED BY
CITY COUNCIL

FEB 28 2007

Rebecca Wittkin
City Secretary

APPROVED *Charles Davis*
HEAD OF DEPARTMENT

APPROVED *Sam Hickey*
CITY CONTROLLER

APPROVED *John Gron*
CITY MANAGER