

December 11, 2019

WHEREAS, on May 9, 2018, 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 November 28, 2018, City Council authorized amendments to the CHP to make technical changes to the Home Improvement and Preservation Program (HIPP), the Dallas Homebuyer Assistance Program (DHAP), and the New Construction and Substantial Rehabilitation Program by Resolution No. 18-1680; and

WHEREAS, on May 22, 2019, City Council authorized amendments to the City of Dallas Comprehensive Housing Policy to establish a Land Transfer Program by Resolution No. 19-0824; and

WHEREAS, on May 9, 2019, the City issued a Notice of Funding Availability in accordance with the CHP and Grand Central Texas Development Corporation dba Texas Community Builders submitted an application that received a fundable score and passed a preliminary underwriting review for the Fair Park West Single Family Infill Development Project (Project); and

WHEREAS, the Project is located in the Fair Park West area on 11 vacant Land Transfer lots and is an affordable single-family residential development providing up to 12 affordable homeownership units to households earning between 60-120% of Area Median Income; and

WHEREAS, the Project has a funding gap of approximately \$741,730.00; and

WHEREAS, to assist in the affordable housing production goals established in the Comprehensive Housing Policy, the City desires to enter into a conditional grant agreement ~~and a conditional grant agreement~~ with Grand Central Texas Corporation dba Texas Community Builders and/or its affiliates in an amount not to exceed \$741,730.00 in consideration of the development of the Fair Park West Single Family Infill Project on Land Transfer lots identified as Jeffries-Myers cluster 2.

Now, Therefore,

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

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SECTION 1. That the City Manager is hereby authorized to execute **(1)** all documents, including, but not limited to deed without warranty (subject to right of redemption for tax lots), restrictive covenants, sales contract, and any necessary documents to effectuate the sale with Grand Central Texas Development Corporation dba Texas Community Builders (Developer) and/or its affiliates for the sale of up to 11 Land Transfer lots shown in Exhibit A; **(2)** a conditional grant agreement with Grand Central Texas Development Corporation dba Texas Community Builders (Developer) and/or its affiliates in an amount not to exceed \$741,730.00 in General Obligation Bond (GO Bond) Funds, approved as to form by the City Attorney. An "affiliate" shall be an individual or entity that is either a parent company to the Developer or a subsidiary of the Developer.

SECTION 2. All lots may revert to the City 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 City.

Upon determination by the City Manager that a condition described above has occurred, the City Manager is authorized to execute an instrument, approved as to form by the City Attorney, exercising against the parcel of real property the City's possibility of reverter with right to reentry. The City shall file notice of the reverter and reentry of the land by the City 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 City 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.

SECTION 3. That each tax-foreclosed lot shall be sold to the Developer for a fixed price of \$1,000.00 for up to 7,500 square feet of land purchased under a single proposal, plus \$0.133 for each additional square foot of land purchased under the proposal, as detailed in Exhibit A.

SECTION 4. That each surplus lot shall be offered at fair market values. A discount is available if project underwriting indicates that the discount is needed either to ensure the viable sale, lease or lease-purchase to an income-qualified buyer. The lot located at 2514 Jeffries St. is being sold at a discounted price of \$1,000.00 - a discount of \$10,250.00.

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SECTION 5. That the City 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 to the City.

SECTION 6. 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 City of Dallas, approved as to form by the City Attorney.

SECTION 7. That the City Manager is hereby authorized to increase appropriations in an amount not to exceed \$741,730.00 in the ECO (I) Fund, Fund 1V52, Department HOU, Unit VI15, Object 3016 for the 2017 Bond Funds.

SECTION 8. That the Chief Financial Officer is hereby authorized to encumber funds and disburse funds to Grand Central Texas Corporation dba Texas Community Builders and/or its affiliate Vendor VC20828, ~~Encumbrance~~Encumbrance/Contract No. HOU-2020-00012142 as the City receives and reviews reimbursement requests and related supporting documentation submitted by Grand Central Texas Corporation dba Texas Community Builders and/or its affiliate, for eligible expenditures and accepts supporting evidence as defined in the agreements for the total amount not to exceed \$741,730.00 from funding sources listed and described below:

<u>Fund</u>	<u>Department</u>	<u>Unit</u>	<u>Activity</u>	<u>Object</u>	<u>Program</u>	<u>Amount</u>
1V52	HOU	VI15	ECNR	3016	HO17VI15	\$741,730.00

SECTION 9. That the City Manager, in his or her sole discretion, is authorized to close on the conditional grant prior to closing on all other financing for the development for the Project.

SECTION 10. That the Developer shall design, fund and/or construct up to 12 single-family homes on property identified as the Jeffries-Myers clusters #2 in the Fair Park West area as described in Section 9.

SECTION 11. That the terms of the grant agreement shall include, but is not limited to the following terms:

- A. Developer is required to design, redevelop, construct and sell a single-family home on each Land Transfer lot obtained by Developer from the City in the Fair Park West area. Developer shall submit a development plan and the development plan must be approved by the City.

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SECTION 11. (continued)

- B. Upon transfer of ownership of each Land Transfer lot from the City 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 and litter.
- C. 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.
- D. Developer shall ensure that all single-family homes (Units) have access to public sewer, public water, public road, and any other necessary utilities.
- E. All Project costs must be reasonable and customary and conform with the Comprehensive Housing Policy, and any other applicable City regulations.
- F. City funding must be used for eligible project costs and cannot be used for land acquisition through the Land Transfer Program.
- G. All hard costs associated with the Project should be certified and result from a competitive bidding process.
- H. Developer shall offer Federal Housing Administration guaranteed home mortgage financing and down payment assistance to eligible homebuyers through Business and Community Lenders of Texas.
- I. Units shall have a minimum of a five-year affordability period as outlined in the Comprehensive Housing Policy (CHP). Developer shall be responsible for informing the buyer and ensuring that the five-year affordability term is included in their sales contract. The affordability period shall be enforced by restrictive covenants filed against each property. Additionally, Developer shall only sell to homebuyers who meet the eligibility criteria set forth in the City of Dallas Homebuyer Assistance Program, or a successor program.
- J. Each Unit in the Project will include a minimum of 1,200 square feet of living space and a two-car garage
- K. Units shall be equipped with the following Energy Star-rated appliances in conformity with the development standards outlined in the Comprehensive Housing Policy: refrigerator, range/oven, dishwasher, and garbage disposal.
- L. Units shall 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.

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- M. The sales price of each Unit shall comply with the requirements outlined under the Land Transfer Program.
- N. Upon completion of construction of each Unit, Developer shall present a marketing plan to the City of Dallas identifying the steps it is taking to market the homes to income-eligible renters or homebuyers.
- O. Units must be sold to an income-eligible homebuyers between 60-120% of the Area Median Income.
- P. The City Manager may authorize minor modifications to the Project to reduce the amount of lots sold to Developer and to modify the sales price.
- Q. Developer shall construct and rent or sell each Unit to eligible homebuyers within two years from the date of sale of the lot by the City to Developer. Developer may receive a one one-year extension of the grant agreement if delays are related to installation or improvement of infrastructure or zoning/platting issues.
- R. Developer shall obtain a building permit for at least one Unit within 30 days from the date of sale to Developer from City.
- S. Developer shall comply with Chapter 20A of the Dallas City Code including, but not limited to, Developer shall not discriminate against holders of any housing vouchers, including vouchers directly or indirectly funded by the federal government.

SECTION 12. That this resolution does not constitute a binding agreement upon the City or subject the City to any liability or obligation with respect to this transaction, until such a time as the documents are duly approved by all parties and executed.

SECTION 13. 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.

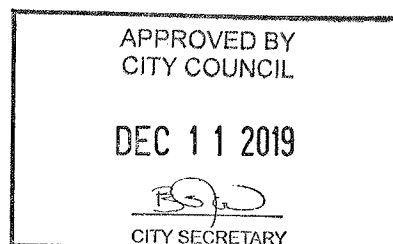


Exhibit A
Grand Central Texas Development Corporation - 2019 NOFA

Number	Street_Nam	Suffix	Type	Cluster	AREA (Sq. Ft.)	Purchase Price
2510	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2514	Jeffries	St	Surplus	Jeffries Meyers 2	7500	\$ 1,000.00
2518	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2518	Merlin	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2502	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2525	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	19515	\$ 2,595.50
2509	Meyers	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2505	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2513	Jeffries	St	Tax Foreclosure	Jeffries Meyers 2	15000	\$ 1,995.00
2510	Merlin	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
2514	Merlin	St	Tax Foreclosure	Jeffries Meyers 2	7500	\$ 1,000.00
					Total Purchase Price	\$ 13,590.50

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