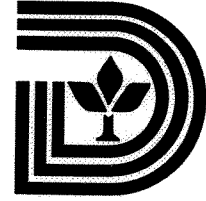


Memorandum



CITY OF DALLAS

DATE April 18, 2008

TO Housing Committee Members: Steve Salazar, Chair, Carolyn R. Davis, Vice-Chair, Tennell Atkins, Dr. Elba Garcia, Vonciel Jones Hill, Angela Hunt, Linda Koop, Pauline Medrano

SUBJECT Land Transfer Program Briefing

On Monday, April 21, 2008, you will be briefed on the Land Transfer Program. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to be 'A.C. Gonzalez'.

A.C. Gonzalez, Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge Jay Robinson, Judiciary
Ryan S. Evans, First Assistant City Manager
David O. Brown, Interim Assistant City Manager
Ramon Miguez, P.E., Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Jerry Killingsworth, Housing Director



Land Transfer Program Briefing

A Briefing to the **Housing Committee**

Housing Department
April 21, 2008





Purpose

- To provide an update on the Land Transfer Program



Background

- The Land Transfer Program inventory is reducing every year as the Land Bank has become the primary source of new inventory.
- We are continuing to manage the inventory created from 1998-2002 wherein controls were not in place to match production history and capacity, but has since been corrected.



Background Con't.

- 1997 City Council authorized the Land Assembly Program to allow for private sale of tax-foreclosed properties to qualified non-profit organizations
- 1998 City Council authorized an alternative manner of sale for tax foreclosed properties to non-profit organizations (House Bill 110)
- 2001 City Council authorized the Land Transfer Program which incorporated the Land Assembly, the HB 110, the Surplus and the Release of Non-tax Liens processes
- 2003 City Council authorized a policy to allow for revisions to original proposals and extensions of the development periods under the HB 110 process
- 2004 City Council authorized the prohibition of the placement of industrialized housing on properties sold through Land Assembly, HB 110 and Surplus processes



Land Transfer Processes

- **Land Assembly**
 - Permits direct sale of qualified improved or vacant tax-foreclosed properties that are struck-off to the City to certified CHDO's or non-profit organizations for the lesser of the judgment amount or the market value as shown in the judgment
- **House Bill 110**
 - Permits direct sale of qualified vacant tax-foreclosed properties that are struck-off to the City to certified CHDO's or non-profit organizations for \$1,000 for the first 7,500 square feet plus \$0.133 for each additional square foot
- **Surplus**
 - Permits direct sale of City-owned vacant surplus properties to individuals, non-profit or for-profit organizations for \$1,000 for the first 7,500 square feet plus \$0.133 for each additional square foot
- **Release of Non-Tax Liens**
 - Permits release of non-tax liens in private lot sales with a provision that delinquent taxes are paid and an unsecured note for the amount of the non-tax liens that are released is executed
- Affordable housing is required with all processes.



Land Transfer Processes Con't.

- HB 110 Process:
 - requires a public hearing
 - requires approval from all taxing entities
- Deed Restrictions for all Processes:
 - single-family to remain affordable for 5 years after initial occupancy
 - multi-family to remain affordable for 15 years after initial occupancy
- Development:
 - within 3 years of execution of the deed for Land Assembly, HB 110 and Surplus processes
 - within 2 years after release of liens for Release of Non-tax Lien process



Policy

Prior Policy

- Vacant lots previously held for CHDO's for a number of years before conveyance
- After conveyance, CHDO's many times needed extensions to complete the construction of the houses

Current Policy

- Vacant lots only held for CHDO's for 6-12 months
- Vacant lots held in NIP areas to be conveyed as a group when a sufficient number of lots is obtained
- After conveyance, extensions only granted if development has started or is eminent
- After conveyance, lots will revert back to the City if homes not completed within development period established by program
 - Held for future development if located in NIP areas
 - Offered at public sealed bid sale through Real Estate Services, if not in NIP areas



Production

LAND TRANSFER PROCESS	LOT SALES	CLOSED HOUSES	MULTI-FAMILY UNITS*	CONSTRUCTION PENDING	REVERTED LOTS**
Land Assembly	33	19	20	8	5
House Bill 110	207	96	8	49	60
Surplus	91	61	4	29	0
Release of Non-Tax Liens	15	6	417	7	0
TOTAL	346	182	449	93	65

*multi-family units constructed on six of the individual lot sales

**some of the reverted lots are being held; others are being sold by Real Estate Services



Inventory

- Lots on Hold for CHDO's - 39
- Lots on Hold in NIP Areas - 14
- Reverted Lots on Hold for Future Development – 44
with 36 in NIP Areas



Challenges

- Limited capacity of the CHDO's
- Limited availability of construction financing
- Finding enough qualified home buyers given the current and projected market conditions
- Two-year development requirement for Release of Non-tax Lien process may be too aggressive under current market conditions