

Memorandum



CITY OF DALLAS

DATE October 2, 2015

TO Housing Committee Members: Scott Griggs, Chair, Carolyn King Arnold, Vice-Chair, Monica R. Alonzo, Tiffinni A. Young, Mark Clayton, and Casey Thomas, II

SUBJECT Land Bank Program Expansion

On Monday, October 5, 2015, you will be briefed on the Land Bank Program Expansion. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in blue ink that reads "Theresa O'Donnell".

Theresa O'Donnell
Chief Resilience Officer

c: The Honorable Mayor and Members of the City Council
A. C. Gonzalez, City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Craig Kinton, City Auditor
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Mark McDaniel, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager – Mayor and Council

LAND BANK PROGRAM EXPANSION

A Briefing to the Housing Committee

Housing/Community Services Department

October 5, 2015



PURPOSE

Provide follow-up discussion regarding recommended Land Bank Program expansion to include single family home development.

BACKGROUND

- × On September 21, 2015, the Housing Committee received a briefing on the Land Bank Program
- × Recommendations from Neighborhood Plus and the Center for Community Progress are to expand the Land Bank Program
 - + Neighborhood Plus Strategic Goal: Fight Blight
 - + Action: Enable greater flexibility to acquire, sell, and redevelop land bank and City owned property
- × Suggested activities include:
 - + Acquisition
 - + Assemblage
 - + Development
 - + Sales

LAND BANK PROGRAM

- × Lot sizes range from 7,500-8,000 sq. ft.
- × Infill
 - + Most inventory is in Districts 4 & 7
 - + District 7 has had more sales than District 4
- × Average sales price of homes is \$120,000
- × Average square footage of homes is 1,500
- × Typical homebuyer purchasing infill units
 - + Average household size is four (4) persons
 - + Average income is approximately \$40,000 per household
 - + Ethnicity is approximately 60% Hispanic and 40% African American
 - + Age of head of household is 35 years old

LAND BANK LOT



HOMES BUILT



FUNDING OPPORTUNITY

- ✘ City received \$1.5M in program income from the sale of homes built with HOME Investment Partnership Funds
- ✘ HOME funds must benefit persons at or below 80% AMFI
- ✘ Maximum subsidy per unit is \$198,590
- ✘ Maximum sales price is \$271,050
- ✘ These funds can be contracted to the Dallas Housing Acquisition Development Corporation (Land Bank) to build on vacant land bank lots
- ✘ Homebuyers would also be eligible to apply for Mortgage Assistance of up to \$20,000

PROJECT COST SCENARIO

1500 sq. ft. x \$100 per sq. ft.

= \$150,000	Hard Cost Construction
+ \$5,000	Land Costs
+ \$17,000	Soft Costs
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= \$172,000	Total Costs
- \$120,000	Sales Price
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= \$52,000	Per unit subsidy

Note: soft costs include: environmental review, permit fees, transaction and real estate fees

LOW-TO-MODERATE INCOME BUYER

Family Size	80% of AMFI	Income per Month	30% of income paid for housing	40% of income paid for housing	45% of income paid for housing
1	\$39,450	\$3,287	\$986/mo	\$1,314/mo	\$1,479/mo
2	\$45,050	\$3,754	\$1,126/mo	\$1,501/mo	\$1,689/mo
3	\$50,700	\$4,225	\$1,267/mo	\$1,690/mo	\$1,901/mo
4	\$56,300	\$4,691	\$1,407/mo	\$1,876/mo	\$2,110/mo

NEXT STEPS

- × October 2015 –
 - + Council approval of contract with Dallas Housing Acquisition and Development Corporation (DHADC) for \$1,500,000 for development of ten (10) single family homes
 - + Select ten (10) Land Bank lots from current inventory in Council District 4
 - + Begin environmental review on lots to obtain clearance from HUD
- × November 2015 – Request applications from builders
- × December 2015 – Review plans & select builder(s)
- × January 2016 –
 - + Sign agreements with builders
 - + Start predevelopment on construction
 - + Begin marketing homes
- × April 2016 – Expected first sales