



**FARMERS
BRANCH**

MEMORANDUM

CITY COUNCIL

From: Allison Cook, Director of Economic Development and Tourism
Through: Ben Williamson, City Manager
To: City Council
Date: March 19, 2024
Subject: **Neighborhood Revitalization Program**

DISCUSSION:

Demo Rebuild Program:

The Demo Rebuild Program currently has cash grants and property tax rebates depending upon the Dallas County Appraisal District improvement (home) valuation. The program does not include the land value as the improvement value changes during the demolition and new build process. Listed below are the current tiers for the program:

Improvement only value	Cash Grant	Annual Property tax rebate
\$65,000 or less	\$30,000	3 year
\$65,001 - \$100,000	\$20,000	4 year
\$100,001 - \$150,000	\$10,000	5 year
\$150,000 and greater	0	7 year

The Program has changed four times since 2009 with various structures of cash grant and/or rebates. The last change was in February 2018 with the table showing the improvement values and cash grant and/or rebate tiers. The Dallas County Appraisal District improvement values have increased since 2018 and the tiers could be modified to better reflect existing values. The amount of the proposed new tiers will be the discussion point for the city council meeting.

Neighborhood Renaissance Program & Target Area Program:

The City Council crafted a program with Builders of Hope to allow new attainable

housing for the workforce development demographic. The Dallas Central Appraisal District values new homes based on year built and square footage. The program provides new homes between 1,536 and 1,680 square feet. The goal is to keep the new taxable value attainable for the new buyer and avoid higher land valuations in the neighborhood. The area was generally called the “target area” to define the geography of the conversation. Primarily, efforts were focused on properties west of Josey, although we have a few properties east of Josey.

In November 2023, the City sold five lots to Builders of Hope for income-restricted housing opportunities. The qualified buyer must be at or below 120% of the Dallas County Area Median Income (AMI). The AMI table in the attached presentation displays the number of persons per household and income. Builders of Hope will handle all income verification and home sales process. The city-owned lots have a deed restriction for the sales prices and maximum square footage, along with a seven-year priority period for resale.

Address	Maximum Square Footage	Sales Price
2563 Wasina	1,680	\$330,000
2568 Greenhurst	1,609	\$330,000
2629 Squire Pl	1,536	\$355,000
2646 Greenhurst	1,620	\$355,000
2560 Wicker	1,680	\$379,950

Dallas County and Muse Family Foundation have grants available for qualified buyers with down payment assistance. The grant amount will be specific to each applicant's income and lending profile. Builders of Hope will facilitate the County and Foundation grant processes with the potential homebuyer.

Sample homebuyer with income at or below 120% of AMI:

\$330,000 Sales Price for 1,680 sf home

(\$20,000) Down Payment assistance through various Family Foundations

(\$20,000) Dallas County grant

\$310,000 Subsidized Sales Price

The remaining inventory of target area vacant lots can be sold for future programs with the maximum square footage and sales price restrictions. Or, the City can sell the vacant lots on Multiple Listing Service (MLS) to the open market with no restrictions. For purposes of deciding the future of the city-owned inventory, we can determine the process, design, and function of the first five homes closer to completion.