

# **CITY OF CORSICANA**

## **HOUSING INFILL PROGRAM PRIORITIES, POLICIES AND PROCEDURES**

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The acquisition and disposition of properties acquired by the taxing entities through tax foreclosure procedures in accordance with Texas Property Tax Code Section 34.05 and the Interlocal Agreement between the City of Corsicana, Navarro County, Corsicana Independent School District and Navarro College (hereinafter referred to as the "Taxing Entities") covering such properties shall be governed by the following basic priorities and guidelines.

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the applicable laws of the State of Texas, the Interlocal Agreement between the taxing entities, and the public purposes set forth therein.

## **1. Policies Governing the Transfer of Properties**

In determining which, if any, properties shall be acquired by the CITY pursuant to the Interlocal Agreement the CITY shall give consideration to the following factors:

1. Properties that would support affordable homeownership, and are either unimproved or unoccupied and are available for immediate occupancy without need for substantial rehabilitation.
2. Improved properties that would be in support of affordable homeownership and are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.
3. Proposals and requests by individuals, nonprofit and for-profit entities identifying specific properties that would support affordable homeownership, improvement or expansion of community services, neighborhood revitalization, redevelopment, or other activities in support of the program goals and objectives.
4. Proposals and requests by governmental entities that identify specific properties for ultimate uses that would support the improvement or expansion of public services, neighborhood revitalization, redevelopment, or other activities in support of the program goals and objectives.
5. Vacant properties that are the subject of existing weed/debris liens or demolition liens and which would be good candidates for return to productive tax status or be in support of neighborhood revitalization or other program goals and objectives.
6. Vacant properties that meet the criteria for use as a Side Lot of an adjacent residential property and support the return of such property to productive tax status or neighborhood revitalization.
7. Properties that would be in support of strategic neighborhood stabilization and revitalization plans.

The CITY may combine properties from one or more of the foregoing categories in acquiring and disposing of the properties covered by the Interlocal Agreement. In

determining the nature and extent of the properties to be acquired the City shall also give consideration to underlying values of the subject properties, the financial resources available for acquisitions, the operational capacity of the responsible City Departments and the projected length of time for transfer of such properties to the ultimate transferees.

## **2. Priorities Concerning the Disposition of Properties**

The disposition of properties shall be based upon a combination of three different factors. The first factor involves the **intended or planned use of the property**. The second factor considers **the nature and identity of the transferee of the property**. The third factor **addresses the impact of the property transfer on the short and long term neighborhood and community development plans**. Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate policies and priorities. The Housing Infill Project (HIP) Committee and City staff shall at all times retain flexibility in evaluating the appropriate balancing of the priorities for the use of property, priorities as to the nature of the transferee of properties, and priorities concerning neighborhood and community development.

### **Priorities for Use of Property**

1. Properties that are vacant and have a tax delinquency of 6 or more years, support affordable homeownership, and are available for immediate occupancy without need for substantial rehabilitation.
2. Properties that are distressed and have a tax delinquency of 6 or more years, support affordable homeownership and are the subject of an existing order for demolition of the improvements and properties that meet the criteria for demolition of improvements.
3. Vacant properties with a tax delinquency of 6 or more years that are the subject of existing weed/debris liens or demolition liens and which would be good candidates for return to productive tax status or be in support of neighborhood revitalization or redevelopment.
4. Vacant properties with a tax delinquency of 6 or more years that meet the criteria for use as a Side Lot of an adjacent residential owner-occupied property owner and support the return of such property to productive tax status or neighborhood revitalization.
5. Vacant or distressed properties with a tax delinquency of 6 or more years that would be in support of strategic neighborhood stabilization and revitalization plans through the improvement or expansion of community services, or other activities in declining or revitalized areas
6. Vacant or distressed properties with a tax delinquency of 6 or more years that would be in support of strategic neighborhood stabilization and revitalization plans through the improvement or expansion of public facilities and/or service improvements in declining or revitalized areas.

### **Priorities as to the Nature of the Transferee**

1. Qualified individuals that will hold title to the property on a long-term basis for responsible homeownership.
2. Qualified private for-profit entities that will hold title to the property for purposes of subsequent reconveyance to private third parties for affordable homeownership.
3. Entities that are either partnerships, limited liability corporations, or joint venture groups comprised of private nonprofit corporations or private for-profit entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of community services.
4. Qualified non-profit entities that will hold title to the property on a long-term basis (primarily affordable rental housing properties) or hold title to the property for purposes of subsequent reconveyance to private third parties for affordable homeownership.
5. Qualified non-profit institutions including academic and religious institutions for purposes of neighborhood stabilization, revitalization, redevelopment or expansion/improvement of community services.
6. Governmental entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of public facilities or services.
7. Individuals who own residential property for purposes of the Side Lot utilization.
8. Private for-profit entities for purposes of neighborhood stabilization, revitalization, redevelopment or expansion and/or improvement of community services.

Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred title to the CITY shall be ineligible to be the transferee of such property from the CITY.

### **Priorities Concerning Neighborhood Revitalization and Community Development**

1. The preservation of existing stable and viable neighborhoods.
2. Neighborhoods in which a proposed disposition will assist in halting a slowly occurring decline or deterioration.
3. Neighborhoods which have recently experienced or are continuing to experience a rapid decline or deterioration.
4. Geographic areas which are predominantly non-viable for purposes of residential or commercial development.

### **3. Factors in Determining Consideration Due Upon Transfers**

The following factors shall constitute general guidelines for determination of the consideration to be received by the CITY for the transfer of properties. In each and every transfer of real property the CITY shall require good and valuable consideration in an amount determined by the CITY in its sole discretion. The CITY will consider in its determination of consideration for each property the fair market value of the property, the Property Costs, the financial resources available to transferee for acquisitions, the priorities for the use of the property, and the priorities as to the nature of the transferee. "Property Costs" shall mean the aggregate costs and expenses of the CITY attributable to the specific property in question, including abstract fees, court costs, ad litem fees, publication costs, costs of acquisition, liens, maintenance, repair, demolition, improvements and marketing of the property.

The consideration to be provided by the transferee to the CITY may take the form of cash, deferred financing, performance of contractual obligations, imposition of restrictive covenants, or other obligations and responsibilities of the transferee, or any combination thereof.

#### **1. Transfers to Qualified Individuals, Non-profit and For-profit Entities**

- (a) Transfers of property to Qualified Individuals or nonprofit entities in support of the program goals and objectives will ordinarily require consideration in an amount based on the Property Costs, the financial resources of the transferee, the priorities for the use of the property, and the priorities as to the nature of the transferee.
- (b) Consideration shall be reflected by a combination of contractual obligations to develop, maintain, or preserve the property for specified affordable housing purposes. Such amount may be secured by subordinate financing in which amortization of the obligation occurs by virtue of annual performance of the required conditions.
- (c) The dominant priority in determining the amount of and method of payment of the consideration shall be to facilitate the program goals and objectives and simultaneously to ensure that the property is dedicated over an appropriate period of time for the full accomplishment of the program goals and objectives.

#### **2. Transfers to Governmental Entities**

- (a) To the extent that transfers of property to governmental entities are designed to be held by such governmental entities in perpetuity for governmental purposes, the aggregate consideration for the transfer will ordinarily require consideration based on the Property Costs, or be satisfied by deed restrictions based on the priorities for the use of the property, and the priorities as to the nature of the transferee.

- (b) Such consideration may also be satisfied by a combination of contractual obligations to or be satisfied by deed restrictions upon the use of the property for specified program purposes.
- 3. Side Lot Utilization Project.  
The pricing policies applicable to the Side Lot Utilization Project shall be as set forth in the policies and procedures applicable to the Side Lot Utilization Project.
- 4. Transfers of Property at Open Market Conditions.  
Property that is transferred on the open real estate market, without restrictions as to future use will ordinarily require consideration based upon the fair market value of the property, and the Property Costs. Such consideration will normally require payment in full at the time of the transfer.

#### **4. Side Lot Utilization Project**

Individual parcels of property may be acquired by the City and transferred to individuals in accordance with the following policies. The transfer of any given parcel of property in the Side Lot Program is subject to override by higher priorities as established by these policies.

##### **A. Side Lot Disposition Policies**

- 1. Qualified Properties Parcels of property eligible for inclusion in the Side Lot Program shall meet the following minimum criteria:
  - (a) The property shall be vacant real property.
  - (b) The property shall be physically contiguous to adjacent residential property, with not less than a 75% common boundary line at the side.
  - (c) The property shall consist of no more than one lot capable of development. Initial priority shall be given to the disposition of properties of insufficient size to permit independent development.
  - (d) No more than one lot may be transferred per contiguous lot.
- 2. Transferees
  - (a) All transferees must own the contiguous property, and priority is given to transferees who personally occupy the contiguous property.
  - (b) The transferee must not own any real property (including both the contiguous lot and all other property in the City of Corsicana) that is subject to any unremediated citation of violation of the state and local codes and ordinances.
  - (c) The transferee must not own any real property (including both the contiguous lot and all other property in the City of Corsicana) that is tax delinquent.
  - (d) The transferee must not have been the prior owner of any real property in the City of Corsicana that was the subject of a

completed tax foreclosure proceeding unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

3. Consideration

- (a) Parcels of property that are not capable of independent development may be transferred for nominal consideration and will ordinarily include contractual obligations to develop, maintain, or preserve the property for specified residential side lot purposes.
- (b) Parcels of property that are capable of independent development will ordinarily be transferred for consideration in an amount equal to the Property Costs incurred for the lot. Such consideration may be satisfied by a combination of contractual obligations to develop, maintain, or preserve the property for specified neighborhood revitalization purposes.

4. Additional Requirements

- (a) In the event that multiple adjacent property owners desire to acquire the same side lot, the lot shall either be transferred to the highest bidder for the property, or divided and transferred among the interested contiguous property owners.
- (b) The Side Lot policies and priorities may be used in the event that a contiguous property needs land for a driveway or other local code compliance issues.

## **5. Residential Land Transfers**

### **A. Residential Land Transfers**

These policies pertain to transfers whose future use is residential. At time of transfer the property may be vacant, improved or ready to occupy.

1. The transferee must not own any real property that has any unremediated citation of violation of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent unless the transfer is approved by the City Manager and such transfer substantially supports affordable housing initiatives.
3. The subject property must not have been used by the transferee or a family member of the transferee as his or her personal residence at any time during the twelve (12) months immediately preceding the submission of application (except in rental cases).
4. The transferee must not have been the prior owner of any real property in the City of Corsicana that was the subject of a completed tax foreclosure proceeding unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.

5. All development projects should be started and completed within a time frame negotiated with the CITY.
6. A precise narrative description of future use of the property is required.
7. Transactions shall be structured in a manner that permits the CITY to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the CITY.
8. The transferee must agree to pay future property taxes from time of transfer.
9. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
10. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
11. Where part or all of the consideration for the transfer is the prospective affordability of the housing units, affordability requirements may be set forth in the transfer agreement and enforceable through recorded covenants, conditions or limitations upon title.
12. Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the CITY and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.

**The following additional policies shall apply to properties to be transferred to individual transferees as part of a homeownership program.**

13. The owner-occupant must complete renovations and move into the structure within a time frame negotiated by the CITY.
14. The property may not be used as multifamily, other than for duplex homes, and not for manufactured homes, other than modular.

**B. Residential Land Transfer Procedures - Individuals**

1. The prospective transferee must complete a written application and submit the following documents to the CITY:
  - (1) List of property address
  - (2) Rehabilitation / Improvement Specifications
  - (3) Time Line for Rehabilitation / Improvement Completion (if applicable)
  - (4) Project Financing if applicable (Pre-Qualification Letter for Lender)
  - (5) Development Budget (if applicable)
  - (6) Most Recent Tax Return

- (7) Two forms of identification, one of which includes picture identification
  - (8) Evidence of compliance with all applicable CITY codes and policies
2. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.
  3. Once the project has been approved, the staff will compile the closing documents for property transfer and complete the transaction with the transferee.

**C. Residential Land Transfer Procedures – Private/Non-Profit/Corporate Entities**

1. Required Application Documentation. The prospective buyer must complete a written application and submit the following documents to the CITY.
  - (1) List of property address(es)
  - (2) Project Description
  - (3) Development Team Description, including complete information on the following parties:
    - (a) Developer:
    - (b) Co-developer/Partner:
    - (c) Owner:
    - (d) General Contractor:
    - (e) Consultants:
    - (f) Architect:
    - (g) Project Manager (during construction):
    - (h) Lead Construction Lender:
    - (i) Marketing Agent:
    - (j) Project Management (post-construction):
  - (4) Market Information / Plan
  - (5) Project Financing
  - (6) Development Budget
  - (7) An Operating Budget
  - (8) Most Recent Audited Financial Statement (or substantially equivalent documentation, approved by CITY)
  - (9) Evidence of compliance with all applicable CITY codes and policies
2. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application
3. Once the project has been approved, the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

## **6. Non-Residential Land Transfers for Improvement of Public Facilities and/or Expansion of Services, Neighborhood Revitalization and/or Redevelopment**

### **A. Non-Residential Land Transfer Procedures for transfers to Private/Non-Profit /Corporate Entities**

1. The transferee must not own any real property that has any unremediated citation of violation of the state and local codes and ordinances.
2. The transferee must not own any real property that is tax delinquent.
3. The transferee must not have been the prior owner of any real property in The City of Corsicana that was transferred to the CITY as a result of tax foreclosure proceedings unless the CITY approves the anticipated disposition prior to the effective date of completion of such tax foreclosure proceedings.
4. The transferee's proposed use of transferred property must give consideration to the Master Plan developed by the City of Corsicana and transferee must provide proof that notice was provided to any community groups or neighborhood associations located within or surrounding the property.
5. All development projects should be started and completed within a time frame negotiated with the CITY.
6. A precise narrative description of future use of the property is required.
7. Transactions shall be structured in a manner that permits the CITY to enforce recorded covenants or conditions upon title pertaining to development and use of the property for a specified period of time. Such restrictions may be enforced, in certain cases, through reliance on subordinate financing held by the CITY.
8. The transferee must agree to pay future property taxes from time of transfer.
9. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
10. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
11. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.
12. Once the project has been approved the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

**B. Non-Residential Land Transfer Procedures for transfers to Public Entities**

1. Required Application Documentation. The prospective buyer must submit the following documents to the CITY.
  - (1) List of property address(es)
  - (2) Project Description
  - (3) Project Team/ Responsible Staff
  - (4) Development Plan
  - (5) Site Plan
  - (6) Project Cost
  - (7) Evidence of compliance with all applicable CITY codes and policies
2. The transferee's proposed use of transferred property must give consideration to the Master Plan developed by the City of Corsicana.
3. All development projects should be started and completed within a time frame negotiated with the CITY.
4. A precise narrative description of future use of the property is required.
5. If code or ordinance violations exist with respect to the property at the time of the transfer, the transfer agreements shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
6. The proposed use must be consistent with current zoning requirements or an application for zone change or variance must be approved by the Director of Planning & Zoning as a condition precedent to the transfer.
7. Once a month staff will review all submitted complete applications, conduct a basic analysis and give notice of approval or denial of application.
8. Once the project has been approved the staff will compile the closing documents for property transfer, and complete the transaction with the buyer.

**7. Approvals of Land Transfers**

**A. Transfers Requiring Approval of Transfers Committee**

1. The Transfers Committee shall be made up of the City Manager or a designee, Planning and Zoning Manager, Director of Engineering, the Economic Development Director, and City Attorney (or a attorney designee).
2. The Transfers Committee must approve all transfers in which the property in the hands of the transferee will be exempt from property taxes.
3. The Transfers Committee must approve all transfers with more than one interested buyer.

4. The Transfers Committee must approve all transfers for non-residential projects.
5. The Transfers Committee must approve all transfers to governmental entities.
6. All other transfers must be approved by the City Manager.

**B. Transfers Requiring Director of Neighborhood Services Approval**

1. The City Manager may approve all transfers in the Side Lot Utilization Project and may further delegate, by written policy, such approval authority.
2. The City Manager may approve all single parcel land transfers for residential use. If a prospective transferee seeks to acquire more than five (5) properties within a twelve month period, the request must go to the Transfers Committee for approval.

**8. Reporting of Land Transfers**

The City Manager shall prepare and submit to each taxing entity annually a report including all of the properties transferred and will include any revenues collected. The report shall include expenses that were written off by each entity.