

- SUBJECT:** Modifying the Dallas Urban Land Bank Demonstration Program
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 6 ayes — Dutton, Alvarado, Anchia, Elkins, J. Rodriguez, Sanford
0 nays
1 absent — Leach
- WITNESSES:** For — Terry Williams, City of Dallas Urban Land Bank
Against — None
- BACKGROUND:** In 2003, the 78th Legislature enacted HB 2801 by Giddings, which established the Urban Land Bank Demonstration Program Act. A municipality to which the act applies may permit the private sale of tax-foreclosed property to an urban land bank. In turn, property used for land bank purposes may be developed into affordable housing. The act outlines requirements for the city, participating developers, and other entities to follow in the acquisition and sale of such properties.
- DIGEST:** CSHB 2840 would modify certain requirements for the city of Dallas Urban Land Bank Demonstration Program.
- A developer who had built one or more housing units, rather than three or more units, within a three-year period preceding the date the developer submitted a proposal to acquire property from the land bank would qualify for participation in the program, if the developer's plan was approved and the developer met any other program requirements adopted by the municipality.
- An eligible, adjacent property owner who was allowed to purchase property the program determined was not appropriate for residential development would no longer be required to have occupied the property continuously as a primary residence for two years preceding the date of sale.
- CSHB 2840 also would amend the program's requirement of transferring

land that was not appropriate for residential development back to a taxing entity if, after four years, it was not sold to a developer. Such properties could be transferred back to a taxing entity, sold to a qualifying adjacent property owner, political subdivision, or nonprofit before that four-year period was complete.

The bill would take effect September 1, 2013.

**SUPPORTERS
SAY:**

CSHB 2840 would provide the flexibility for the Land Bank Demonstration Program in Dallas to remain a successful vehicle for turning neighborhood eyesores into productive properties.

The bill would make minor but important modifications to allow for and capitalize on current economic conditions by easing the requirements for developers who wanted to participate in the program. Building one housing unit within the past three years is ample enough evidence that a developer could successfully meet the qualifications of the program. The current requirement for a developer to have built three housing units in the three years since the time the developer sought participation in the program is not reasonable. The recent recession caused many developers to pull back from their normal pace of construction. Changing the requirement would enlarge the pool of developers who would serve the program well.

Similarly, expanding the definition of an adjacent property owner would yield more sales and satisfy the program's mission of making vacant lots — in this case, lots that were not appropriate for residential development — useful again. Restoring hard-to-develop lots to the property rolls in this fashion would boost a community's tax revenues. The bill's other provision, which would allow the transfer of property to taxing entities and the sale of property to certain people and entities, would unlock development for a lot that otherwise might remain vacant.

**OPPONENTS
SAY:**

It would be unwise to lower the requirement to help measure whether a developer was sufficiently qualified for the program. CSHB 2840 should maintain the requirement for a developer to build three housing units in the three years before seeking entrance into the program.