



# CITY OF PLANO COUNCIL AGENDA ITEM

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		December 8, 2014		
Department:		Planning		
Department Head		Christina Day		
Agenda Coordinator (include phone #): <b>Doris Carter ext. 5350</b>				
<b>CAPTION</b>				
<p>A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of a Memorandum of Understanding between the City of Plano and the Plano Housing Authority to undertake activities under the City of Plano Housing Rehabilitation Program's Acquisition, Rehabilitation, and Resale (ARR) activity; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.</p>				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2014-15</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	<b>0</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	0	0	<b>0</b>
<b>BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND(S):     N/A</b>				
<p><b>COMMENTS:</b> This item has no financial impact.</p> <p><b>STRATEGIC PLAN GOAL:</b> Approving the terms and conditions of a Memorandum of Understanding between the City of Plano and PHA to undertake activities related to ARR relates to the City's Goal of Partnering for Community Benefit.</p>				
<b>SUMMARY OF ITEM</b>				
<p>The Community Services Division and the Plano Housing Authority (PHA) desire to jointly utilize U.S. Department of Housing and Urban Development (HUD) funds to increase the amount of affordable housing to low and moderate income households through acquiring, rehabilitating, and reselling single-family homes in Plano. The venture allows the City to further undertake activities authorized under the Infill Housing Ordinance, while addressing the need for more affordable housing stock, as identified in the 2010-14 Consolidated Plan.</p>				
List of Supporting Documents:		Other Departments, Boards, Commissions or Agencies		
Memo		Community Relations Commission		
Resolution				
Agreement				



# Memorandum

**Date:** November 25, 2014

**To:** Bruce D. Glasscock, City Manager  
Frank F. Turner, Deputy City Manager

**From:** Shanette Brown, Community Services Manager

**Subject:** **Memorandum of Understanding between the City of Plano and the Plano Housing Authority**

The Community Services Division and the Plano Housing Authority (PHA) desire to jointly utilize U.S. Department of Housing and Urban Development (HUD) funds to increase the amount of affordable housing to low and moderate income households through acquiring, rehabilitating, and reselling single-family homes in Plano. The venture allows the City to further undertake activities authorized under the Infill Housing Ordinance, while addressing the need for more affordable housing stock, as identified in the 2010-14 Consolidated Plan.

The Plano Housing Authority has been authorized by HUD to use proceeds received from the sale of their public housing units to purchase and sell 20 single-family homes to low and moderate income households within their HUD region. This process is referred to by HUD as Section 18 Disposition because Section 18 of Housing Act of 1937 allows such activity to take place. Although HUD has mandated that at minimum 20 single-family homes be purchased, the PHA would prefer to continue this purchase and resale program beyond the 20 units through applying proceeds from the sale of the homes to purchase more. The Plano Housing Authority's "HUD region" spans across the counties of Collin, Dallas, and Denton. Therefore, the homes can be purchased outside of the city of Plano. This Memorandum of Understanding would increase the chances of rehabilitating more affordable single-family homes in Plano.

On March 18, 2014, the City Council authorized the acquisition, rehabilitation, and resale (ARR) of homes to low and moderate income households through the city's HUD-funded Housing Rehabilitation Program. Under the guidelines of ARR, PHA would purchase the homes in the name of the Plano Housing Authority and City of Plano. The Housing Rehabilitation staff would rehabilitate the homes and the property would be sold at fair market value to program participants of the PHA or the City of Plano First Time Homebuyer Program. If program participants do not choose to purchase the home, then it will be available to income-qualified households. Additionally, the City of Plano will provide a subsidy to assist the homebuyer in the purchase, consistent with ARR policies. When possible, costs associated with the purchase and rehabilitation of the homes will be recouped upon the sale of the property. Any net proceeds from the sale will be split between the City of Plano and the PHA.

Please let me know if you have any questions.

**XC:** Earnest Burke, Executive Director, Plano Housing Authority  
Christina Day, Planning Director

**A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of a Memorandum of Understanding between the City of Plano and the Plano Housing Authority to undertake activities under the City of Plano Housing Rehabilitation Program's Acquisition, Rehabilitation, and Resale (ARR) activity; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.**

**WHEREAS**, the City Council adopted Ordinance No. 89-10-12 on October 11, 1989, creating a Housing Infill Program authorizing the City to acquire, rehabilitate, and sell residential structures directly to qualified low and moderate income households; and

**WHEREAS**, the Plano Housing Authority has been authorized by the U.S. Department of Housing and Urban Development to purchase homes for sale to low and moderate income households; and

**WHEREAS**, the City Council adopted Ordinance No. 2014-3-6 on March 18, 2014 authorizing the purchase, rehabilitation, and resale of single family homes to low and moderate income households through the Housing Rehabilitation Program; and

**WHEREAS**, the Plano Housing Authority will purchase homes in the name of the City of Plano and Plano Housing Authority and City of Plano will rehabilitate the homes under the activity of acquisition, rehabilitation, resale; and

**WHEREAS**, the homes will be offered for sale to Plano Housing Authority residents and City of Plano First Time Homebuyer Program participants, first, and to non-program participants that are income-qualified, second; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The terms and conditions of the Agreement, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interest of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager or his authorized designee is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set for in the Agreement.

**Section III.** This resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED THIS THE 8TH DAY OF DECEMBER, 2014.**

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Harry LaRosiliere, MAYOR

ATTEST:

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Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

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Paige Mims, CITY ATTORNEY

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PLANO, TEXAS, AND PLANO HOUSING AUTHORITY REGARDING THE ACQUISITION, REHABILITATION, AND RESALE (ARR) OF HOUSES ADMINISTERED UNDER THE CITY'S HOUSING REHABILITATION PROGRAM AND USE OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SECTION 18 DISPOSITION PROCEEDS**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2014, by and between the City of Plano, acting by and through its governing body, the City Council, hereinafter referred to as City of Plano and the Plano Housing Authority, collectively (the "Parties" or each "Party").

**WHEREAS**, the Parties have previously agreed that homes would be purchased, rehabilitated, and resold under the parameters of the Housing Rehabilitation Program; and

**WHEREAS**, the Parties have previously agreed to sell the house at fair market value and when possible recoup costs associated with the purchase and rehabilitation of the house; and

**WHEREAS**, the Parties have previously agreed that net proceeds from the sale of the property will be split equally; and

**WHEREAS**, the Parties believe it to be in their best interests to enter into this partnership.

**NOW, THEREFORE**, the Parties agree as follows:

1. The Plano Housing Authority agrees to purchase single family homes in the name of both the City of Plano and Plano Housing Authority.
2. The City of Plano agrees to rehabilitate these homes and pay for all costs associated with the property management and sale of the property to low and moderate income households.
3. Both parties agree to sell the house at fair market value to program participants of the Plano Housing Authority and City of Plano First Time Homebuyer program first and non-program participants that are income-qualified second under the Housing Rehabilitation Program standards.
4. The City of Plano agrees to provide a subsidy to assist low and moderate income households in the purchase of the home.

5. Both parties agree to recoup the costs associated with the purchase and rehabilitation of the home upon the sale of the property.

6. Both parties agree to split net proceeds from the sale of the property equally.

7. This agreement is dependent upon the continued receipt of U.S. Department of Housing and Urban Development funds.

8. This contract may be terminated at any time with consent of both parties, in which City of Plano and the Plano Housing Authority shall agree upon termination conditions, including the effective date and, in case of partial termination, the portion to be terminated.

CITY OF PLANO, TEXAS

PLANO HOUSING AUTHORITY

By: \_\_\_\_\_

Bruce D. Glasscock  
City Manager

By: \_\_\_\_\_

Earnest Burke  
Executive Director