

THE PARIS HOMESTEAD PROGRAM:
REVITALIZATION OF OLDER COMMUNITIES

By Larry W. Schenk
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“homestead (h m-sted) *vi*: to acquire or settle on land under a homestead law.”
Webster’s Seventh New Collegiate Dictionary.

The City of Paris, Texas is located in deep Northeast Texas, approximately 90 miles north and east of the Dallas Metroplex and some 15 miles south of the Texas/Oklahoma boundary (the Red River). Paris is a Home Rule City, population 25,898; the City adopted its current Home Rule Charter in 1947, and has shown slow but continuing growth throughout the time frame since the adoption of that Charter. Because of its unique location, the City is the largest population center for approximately 50 miles in any direction, encompassing an area of approximately 2,000 square miles extending into Oklahoma. As a consequence of this unique location, the City is blessed with many features of a larger city to serve the outlying population which raises the City’s population at any given day to approximately 40,000.

Since its founding in 1844, the City has seen two natural disasters of catastrophic proportions. In 1916 a terrible fire swept through the City, destroying almost the entire then existing commercial district as well as a significant portion of the adjacent housing stock. While it is a measure of great pride to the City that within a couple of years, a significant portion of the damaged area was completely rebuilt, much of the City’s housing stock can be dated to the catastrophic fire. A second catastrophe occurred in 1982, when the City was the victim of a category 4 tornado. As a consequence of that tragedy, some structures in the City were never rebuilt, while those that were rebuilt as a result of the tornado have not withstood the test of time.

As a result, the City of Paris is a mature city, both blessed and cursed with an aging but historical business/commercial district and similar residential housing stock.

Beginning in 2000, the City undertook a community wide initiative styled “Keep Paris Beautiful” to remedy what was perceived to be significant blight in the City. The initial focus of that effort was to organize partnerships between government and the private sector to clean up/fix up/de-litter the City. The City’s contribution to this program included the adoption of a progression of ordinances summarized as follows:

1. Adoption of a comprehensive new program to control weeds, junk, and litter;
1. New ordinance provisions regulating and controlling junk vehicles;
2. New ordinance regulations for commercial and industrial solid waste collection and collectors, including provisions to control waste on the streets;
3. Ordinance authority for the issuance of administrative search warrants;
4. Adoption of new regulations for substandard and dangerous buildings;
5. Adoption of a new program of historic preservation;
6. A program of tax exemptions for improvements to historic districts.

All of these initiatives were adopted over the time frame beginning in April of 2000 and continuing through November of 2004.

I preface the description of what has been loosely described as the Paris Homestead Program to emphasize the Homestead Program as described herein is not a program that will work for every community. The program is directed at and offers opportunities for cities similar to Paris; i.e., mid-sized cities mature in terms of the age of their structures where there is considerable community support to preserve those structures that can be preserved and remove those structures that cannot. In addition, successful implementation of a Homestead Program must be accompanied by and will not succeed without comprehensive community support and without the adoption of a series of ordinances similar to those described herein to clean up the peripheral blight in the community precedent to adoption of a Homestead Program.

For example, the City identified early on in 2000 that because of the way it was mowing and cleaning up the various empty lots in the community, the City was actually competitively superior to property owners doing the mowing themselves. As a consequence, the new junk, weed, and litter ordinance changed this situation by making the City, through the implementation of a \$220 administrative fee in addition to the actual cost of the mowing and clean up, the last choice for property owners in terms of cleaning up their property. In addition, as you would imagine, all these initiatives had to be accompanied by a commitment on the part of the city government to provide the enforcement staff necessary.

Once all these programs were initiated, it became very clear there was a deeper problem that unless addressed and solved, adoption of similar ordinance initiatives as described herein would still not solve the core problem of the City's blight. There continued to be a number of empty lots throughout the City which were not only a strain on City resources because the property owners themselves were not maintaining them, but those very same lots were usually lots for which taxes were not paid. When such lots were sold for taxes, it was usually at a significant discount (many times at 10¢ on the dollar) to a speculator and the lots almost always wound up back on the delinquent tax rolls, with the City still maintaining a custodial role of clean up. Many of the lots were also identified as being owned by non-residence owners.

As a consequence, the next and most logical step in the progression of ordinances and programs adopted by the City in support of the clean up effort was to identify a way to redirect ownership of these lots where new homes could be built on those lots. With such a program the taxing entities where the properties are located would see an increase in their tax base; qualified individuals who can participate in such programs would have the opportunity to own their own home; and the lots on which the homes were built would no longer become a long term maintenance problem for the City of Paris. Conceptually the program is especially appealing because almost all of the lots in question are already adjacent to city streets with utilities already available (i.e., so called "in fill" lots). Almost no infrastructure would need to be built. A qualified low to moderate income participant could contract with the City or other entity to obtain the lot for free to build a house on the lot using the lot as collateral. Indeed, federal banking regulations impose a measure of responsibility on banks and other banking institutions to target a certain percentage of loans to this particular customer base.

The problem was identifying and creating a program which would accomplish the desired goal of cycling these essentially abandoned and neglected properties (which are basically serving no other purpose than to hold the world together) into the hands of potential homeowners who, for one reason or another, could not come up with the traditional down payment or other collateral, but had a job, a work history, and could make reasonable house payments.

The City had already had some success under a prior HUD grant funded program, whereby in lieu of trying to fix up run-down homes owned by low and moderate home-owners (primarily elderly people), the City could for the same maximum of \$25,000 allocated to each grant, relocate the person owning the property for a limited time period (usually 3 to 4 months) and actually tear down the property owner's old, dilapidated structure, and build a new 2 bedroom, 1 bath frame home which met all the City's code requirements.

Under the Homestead Program, the City has been blessed with the successful efforts of Paris Living, a

Community Development Corporation, and Paris Habitat for Humanity, building new homes for low and moderate income buyers. With the City's past history and various grant programs to assist potential low and moderate income home buyers, what needed to be included in the mix of the Homestead Program was a partnership with Paris Living and Paris Habitat for Humanity, as well as the City's own program for those properties which the other non-profit entities could not utilize. As a consequence, the City Council adopted a number of initiatives designated as the City's Homestead Program, which can be broken into the following components:

1. City Council Resolution No. 2004-068 approved an interlocal agreement by and among the taxing entities of the City (City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District, and Paris Junior College). The Agreement designated the City of Paris as sole trustee, empowered through a limited power-of-attorney, to act on behalf of the other taxing entities in utilizing residential lots foreclosed for delinquent tax purposes in programs to create opportunities for low and moderate income individuals to build houses on those lots. In the agreement, eligible lots are identified generally as those lots zoned for single family purposes which have been foreclosed and passed through a Sheriff's Sale for delinquent ad valorem taxes, and have not been redeemed by the delinquent tax payer.

The Interlocal Agreement obligates the City of Paris, as sole trustee, through the limited power-of-attorney, to use such lots in two designated programs intended to make the lots available for single family home construction.

2. A second Resolution (2004-069) authorized the implementation of one of the new programs to funnel the identified lots to qualified home buyers. Through this Resolution, identified as the Non-Profit Home Building Resolution, lots were made available to Paris Living and Habitat, at their discretion and selection, for use in their on-going programs of home building. Obviously not all the lots fit the profiles for these two organizations, and a number of lots were still outstanding.

3. A third Resolution (2004-070) adopted another program, identified as the Homestead Program, to be run by the City's Community Development Department, to take applications from low and moderate income individuals to select a lot, enter into a zero dollar earnest money contract with the City for that lot and approach lenders and title underwriters with said earnest money contract as collateral to obtain a loan to build a house. The City agreed to convey said lot by special warranty deed. In addition, these individuals could qualify for other home building incentives, such as the City's current Down-Payment Assistance Grant Program.

4. As a follow-up to adoption of these resolutions, the City first had to convince the other four taxing entities to enter into the Interlocal Agreement. Separate agreements between the City and Paris Living and Habitat for Humanity were a necessary component of finally implementing the program.

Statutory authority for such a program may be found in several provisions of the Local Government Code.

Section 272.001 (g) authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest.

Section 253.010 authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold or transferred to non-profit entities engaged in developing housing for low income individuals and families to promote community based revitalization. Obviously, Section 253.010 fit very well with the City's arrangements with Paris Living and Habitat for Humanity.

Finally, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding to non-profit organizations in furtherance of a public purpose within the municipality.

Drawing on these authorities, and requiring the non-profit entities as part of their receipt of the trustee lots to provide comprehensive title work on the current title of the properties, allows the City of Paris, as trustee for all the taxing entities, to convey the property by special warranty deed (i.e., title "by, through, or under the Grantor, but not otherwise") rather than by the traditional sheriff's or Trustee's Deed. This change is of critical importance, because without such conveyance, title companies will not write title insurance on the property, and the buyer will not be able to qualify for a loan. While one can argue the taxing entities are pledging their full faith and credit by virtue of issuing a special warranty deed, the risk is practically minuscule because none of the lots will be included in the program until the redemption period under the tax code for each of the respective properties has totally expired, and there is no risk of attempted redemption by the prior owner, and indeed the city administratively is honoring the conservative requirements of the title companies that the property be stricken from the tax roll for at least two years before it is included in the program.

To date, several properties have been authorized for use by the two non-profit entities, deeds have been provided for the City to sign conveying those lots, accompanied by good title work. It is estimated the two non-profits will build in the aggregate approximately twenty homes on lots through this program within the next year, not including any homes that may be built as a result of the City's direct program. The value of those homes will depend on the particular level of moderate to low income buyers targeted by the respective non-profits. Generally speaking, the Community Development Corporation is targeting those people who, once collateral is provided, can afford a payment on a long term loan for a house in the \$50,000 to \$75,000 range. Habitat for Humanity is targeting those individuals whose incomes will qualify for a loan for a house in the \$35,000 to \$50,000 range. The City

of Paris program will target those houses for people who can afford a payment commensurate with houses in the \$25,000 to \$35,000 range. While these may sound like incredible numbers for the price of a new home, the City has floor plans currently being used by the non-profits as well as those used by the City in its previous grant program which can be built to code in these price ranges.

Finally, the City is contemplating the prospect of waiving certain construction related fees associated with construction on these lots associated with the City's own program. For example, waiving building permit fees and sewer and water connection fees, while a loss of revenue to the City, would be more than recovered by having a new home built on the property and its accompanying tax value, and also enabling the City to strike these lots from property that have to be cleaned up at City expense.

To assist you in understanding the full scope of the City's program, included in the appendix of this paper are the resolution and accompanying interlocal agreements between the taxing entities (Appendix 1); the resolution authorizing the implementation of the non-profit program with Paris Living and Habitat for Humanity (Appendix 2); the resolution adopting the City's own program (Appendix 3); and finally, an example of the Agreement between the City and the non-profits which implemented that component of the program (Appendix 4).

In conclusion, the Paris Homestead Program is not a program suitable for the Frisco's of this world. New growth cities, with new housing stock, would not be impacted by this program. However, moderate size cities, with mature housing stock and continuing problems with substandard buildings, empty lots requiring public maintenance, and a proliferation of what would essentially be considered tax delinquent "unwanted" in fill lots, often owned by non-resident owners, may want to consider a program similar to the Paris Homestead Program.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS, APPROVING AND AUTHORIZING AN INTERLOCAL AGREEMENT, TAX TRUST AGREEMENT, AND LIMITED POWER OF ATTORNEY BY AND AMONG THE CITY OF PARIS, LAMAR COUNTY, PARIS INDEPENDENT SCHOOL DISTRICT, NORTH LAMAR INDEPENDENT SCHOOL DISTRICT, AND PARIS JUNIOR COLLEGE, FOR THE PURPOSE OF DESIGNATING THE CITY OF PARIS AS TRUSTEE FOR CERTAIN IDENTIFIED LOTS FORECLOSED FOR TAX PURPOSES IN SUPPORT OF VARIOUS PROGRAMS TO CONSTRUCT NEW RESIDENTIAL HOUSES ON SAID LOTS; MAKING CERTAIN FINDINGS AND PROVISIONS RELATED TO SAID SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the City Limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property-owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris intends to create programs for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, into a pool for use by designated certain non-profit entities for the construction of new single family residential houses or for use by the City to afford qualified low and moderate income individuals the opportunity to obtain said lots, participate in other grant and loan programs, and construct new houses thereon, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for the taxing entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris; and,

WHEREAS, the County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College desire to support the City in the proposed programs of recycling said lots by entering into an Interlocal Agreement pursuant to Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, to designate the City of Paris as Trustee for said lots to be used in said programs and;

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold if said real property is sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, the City Council of the City of Paris finds and determines that the activities authorized by said Interlocal Agreement are in the best interests of the citizens of the City of Paris, Texas, and are in furtherance of the health, safety, and welfare of the citizens of the City of Paris, who are in turn constituents of the taxing entities; and,

WHEREAS, the parties to said Interlocal Agreement find and determine that the activities authorized thereunder promote and serve a public purpose; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS:

Section 1. That the findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. That the City Council does hereby approve and authorize the Mayor to execute and the City Clerk to attest to an Interlocal Agreement, Tax Trust Agreement, and Limited Power of Attorney by and among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District, and Paris Junior College, for the purpose of designating the City of Paris as Trustee for certain lots defined therein, which have been foreclosed for tax purposes, in support of certain programs to construct single family residential housing on said lots, a copy of which said Interlocal Agreement is attached hereto and for all purposes incorporated herein as Exhibit A.

Section 3. That this resolution shall be effective from and after its date of passage.

PASSED AND APPROVED this 12th day of April, 2004.

Curtis Fendley, Mayor

ATTEST:

Mattie Cunningham, City Clerk

APPROVED AS TO FORM:

Larry W. Schenk, City Attorney

COUNTY OF LAMAR §

KNOW ALL MEN BY THESE PRESENTS:

STATE OF TEXAS §

**INTERLOCAL AGREEMENT, TAX TRUST AGREEMENT,
AND LIMITED POWER OF ATTORNEY BY AND AMONG
THE CITY OF PARIS, TEXAS, LAMAR COUNTY, TEXAS,
PARIS INDEPENDENT SCHOOL DISTRICT, NORTH LAMAR INDEPENDENT
SCHOOL DISTRICT, AND PARIS JUNIOR COLLEGE**

This Agreement is entered into by and among the City of Paris, Texas (CITY), the County of Lamar (COUNTY), Paris Independent School District (PISD), North Lamar Independent School District (NLISD), and Paris Junior College (PJC), hereinafter referred to as the Taxing Entities, pursuant to Charter 791 of the Texas Government Code, The Interlocal Cooperation Act.

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the City Limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property-owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris intends to create programs for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, into a pool for use by designated non-profit entities for the construction of new single family residential houses or for use by the City to afford qualified low and moderate income individuals the opportunity to obtain said lots, participate in other grant and loan programs, and construct new houses thereon, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for the

Taxing Entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris; and,

WHEREAS, the County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College desire to support the City in the proposed programs of recycling said lots; and,

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold if said real property is sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, the parties to this Agreement find and determine that the activities authorized hereunder are in the best interests of the citizens of the City of Paris, Texas, and are in furtherance of the health, safety, and welfare of the citizens of the City of Paris, who are in turn constituents of the Taxing Entities; and,

WHEREAS, the parties to this Agreement find and determine that the activities authorized hereunder promote and serve a public purpose;

NOW, THEREFORE, THESE PREMISES CONSIDERED, FOR AND RETURN FOR THE CONSIDERATION RECITED HEREIN, THE CITY OF PARIS, COUNTY OF LAMAR, PARIS INDEPENDENT SCHOOL DISTRICT, NORTH LAMAR INDEPENDENT SCHOOL DISTRICT, AND PARIS JUNIOR COLLEGE, AS THE TAXING ENTITIES, COVENANT AND AGREE AS FOLLOWS:

I.

For the purposes of this Agreement, the following definitions shall apply:

1. *Lot or Lots* shall mean a tract, City lot, or other parcel of real property, whether identified by formal survey (lot and block in a plated subdivision), or identified by a metes and bounds description, or otherwise, which now or subsequent to the date of this Agreement:

- 1) Is located within the corporate or city limits of the city of Paris, Texas, as those limits currently exist or shall hereafter be amended; and,

2) Is vacant and if a structure is located thereon, the structure is or has been unoccupied and abandoned, as the terms vacant and abandoned are defined under the Texas Tax Code; and,

3) Is located in an area zoned for single family residential use only, pursuant to the zoning ordinance of the City of Paris; and,

4) Has been lawfully foreclosed by representatives of the Taxing Entities for delinquent ad valorem taxes pursuant to the Texas Tax Code; and,

5) Has been or is eligible to be struck off to a trustee following a Sheriff's Sale in accordance with the Texas Tax Code, and the property has not sold pursuant to Section 34.001 of the Texas Tax Code; and,

6) One (1) calendar year or the maximum period of time for redemption of said property according to the Texas Tax Code, whichever period of time is greater, has passed since the date of the Sheriff's sale.

2. *Taxing Entities* shall mean the City of Paris, County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College, individually and collectively.

II.

From and after the date of this Agreement, the Taxing Entities covenant and agree the City of Paris shall be the Trustee on behalf of itself, and the other Taxing Entities, for all Lots as the same are defined herein. To the extent that another trustee is currently designated as trustee for a Lot or Lots, that trustee shall cooperate with the CITY in filing necessary and appropriate documents to transfer said Lots to the CITY as Trustee.

III.

For and in return for the consideration of the other Taxing Entities transferring said Lots to the CITY as Trustee, the CITY agrees to create a program for placing said Lots into a pool for use by designated non-profit entities for the construction of new single family residential houses, or for use by the CITY in a program to afford qualified low and moderate income individuals the opportunity to obtain said Lots, participate in other grant and loan programs, and construct new houses thereon, with a goal of alleviating blight and eliminating real property from public maintenance while at the same time affording low and moderate income individuals the opportunity to own homes, which in turn would enhance the tax base for the Taxing Entities. The

CITY covenants and agrees that the Lots for which it shall be named and designated Trustee in accordance with this Agreement shall be used and utilized exclusively in the programs as described herein, and for no other purposes.

IV.

All properties held by CITY as Trustee for the other Taxing Entities shall be governed by this Agreement, the terms and provisions of the CITY's programs as described in III above, the Local Government Code, and the Texas Tax Code.

V.

In order to facilitate the CITY's implementation of its program, the Taxing Entities hereby appoint the CITY as attorney-in-fact for each of them and give to the CITY, with respect to each Lot, the following powers:

1. The power to enter into earnest money contracts, sales contracts, or similar real estate agreements necessary and incidental to implementing the programs.
2. The power to enter into agreements with non-profit entities to effectuate the purposes of this Agreement and the CITY's programs.
3. The power to convey said Lots without the accompanying approval of the remainder of the Taxing Entities.
4. The power to execute and deliver any and all legal instruments relating to the conveyance of the Lots, including but not limited to special warranty deeds binding each Taxing Entity with vendor's liens retained or disclaimed as applicable or transferred to a third party lender, affidavits, notices, waivers, designations, and other instruments incident to the transfer of said property or as required by the CITY's programs.
5. The power to indemnify and hold harmless on behalf of all the Taxing Entities any third party who accepts and acts under this power of attorney.
6. The power to do everything and sign everything necessary or appropriate to transfer the Lots in accordance with this Agreement and the CITY's programs.
7. The power to consent to the sale of properties pursuant to Texas Tax Code Section 34.05.

VI.

The limited power of attorney afforded the CITY by the terms and provisions of this Agreement is to be construed and interpreted as a limited power of attorney relating only to the transactions and purposes set forth herein. As to any Taxing Entity, this Agreement and accompanying power of attorney may be revoked as to said Taxing Entity voluntarily by providing thirty (30) days advance notice to the other parties hereto, followed by written revocation entered of record in the offices of the County Clerk of Lamar County, Texas.

VII.

The CITY shall not be obligated to furnish bond or other certificate and shall not be entitled to compensation for the services rendered herein.

VIII.

The Taxing Entities do, by execution of this Agreement, hereby ratify and confirm all that CITY shall lawfully do or cause to be done by virtue of this Agreement, the accompanying limited power of attorney, and the CITY's programs and the rights and powers granted herein and all actions necessary to complete any transaction pursuant to this Agreement.

IX.

Each individual executing this Agreement on behalf of any Taxing Entity has been granted full power from the governing body of each entity, and the individual executing this Agreement certifies that he or she executes it only after ratification by each of the Taxing Entities, who in turn have acted only after due notice and action of the full governing body of each Taxing Entity.

X.

That the governing body of each Taxing Entity finds and determines that their respective entity has received fair compensation for the services and/or obligations to be performed hereunder, and that all obligations, if any, requiring the expenditure of funds shall be made from the current revenues of each respective Taxing Entity.

XI.

That the term of this Agreement shall be for one (1) year, automatically renewable on the anniversary date hereof for an additional four (4) one year terms, unless terminated earlier by agreement of the parties or by one party filing a revocation of power of attorney as provided in Article VI hereof.

XII.

That this Agreement may be executed in multiple counterparts but shall not be

effective until executed by all entities for whom a signature line has been prepared.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS, AND CERTAIN OTHER PUBLIC ENTITIES; PROVIDING FOR A CONTRACT WITH SAID NON-PROFIT ENTITIES SETTING OUT THE TERMS AND CONDITIONS OF SAID PROGRAM; PROVIDING FOR CONTRACTS; PROVIDING FOR TRANSFER OF PROPERTY INTERESTS; AUTHORIZING THE CITY MANAGER TO EXECUTE OTHER DOCUMENTS ASSOCIATED WITH THE PROGRAM; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the city limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris foresees the need for a program for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, into a pool of lots for use by designated non-profit entities for the construction of new single family residential houses, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for all local taxing entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris; and,

WHEREAS, the City of Paris has, pursuant to Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, previously entered into an agreement styled Interlocal Agreement, Tax Trust Agreement, Limited Power of Attorney by and Among the City of Paris, Lamar County, Paris Independent

School District, North Lamar Independent School District and Paris Junior College, whereby the other taxing entities have agreed to designate the City of Paris as Trustee for certain identified lots foreclosed for delinquent tax purposes for use in said program; and,

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community-based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, the City Council of the City of Paris, Texas, does hereby find and determine that the implementation of the aforesaid Non-Profit Home Building Program would be in the best interest of the citizens of the City of Paris, and in furtherance of the health, safety, and welfare of said citizens; and,

WHEREAS, the City Council of the City of Paris finds and determines that the activities authorized in the aforesaid program and in this resolution promote and serve a public purpose; and,

WHEREAS, Paris Living, a Community Development Corporation, and Paris Habitat for Humanity, the same being non-profit entities, have indicated an interest in participating in the aforesaid program for construction of new single family residential houses; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS:

Section 1. That the findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. For the purposes of this resolution, the following definitions shall apply:

a. *Contract with the Taxing Entities* shall mean that Interlocal Agreement, Tax Trust Agreement, and Limited Power of Attorney previously entered into by and among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District, and Paris Junior College for the implementation of the program stated herein.

b. *Lot or Lots* shall mean a tract, City lot, or other parcel of real property, whether identified by a formal survey (lot and block in a platted subdivision), or identified by metes and bounds description, or otherwise, which now or subsequent to the date of this agreement:

i. Is located within the corporate or city limits of the City of Paris, Texas, as those limits currently exist or shall hereafter be amended; and,

ii. Is vacant and if a structure is located thereon the structure is or has been unoccupied and abandoned as the terms vacant and abandoned are defined under the Texas Tax Code; and,

iii. Is located in an area zoned for single family residential use only pursuant to the Zoning Ordinance of the City of Paris; and,

iv. Has been lawfully foreclosed by representatives of the Taxing Entities for delinquent ad valorem taxes pursuant to the Texas Tax Code; and,

v. Has been or is eligible to be struck off to a trustee following a Sheriff's Sale in accordance with the Texas Tax Code, and the property has not sold pursuant to Section 34.001 of the Texas Tax Code; and,

vi. One (1) calendar year or the maximum period of time for redemption of said property according to the Texas Tax Code, whichever period of time is greater, has passed since the date of the Sheriff's sale.

3. *Non-Profit Entities* shall mean Paris Living, a Community Development Corporation, and Paris Habitat for Humanity.

4. *Taxing Entities* shall mean the City of Paris, County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College, individually and collectively.

Section 3. That there is hereby created a Non-Profit Home Building Program in the

City of Paris. The purpose of said program shall be to recycle or place single family residential Lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons, and have not been redeemed by their owners in accordance with state law, into a pool for use by those non-profit entities as designated herein for the construction of new single-family residential houses, thereby alleviating community blight, removing said property from the group of properties maintained by the City, enhancing the tax base for all Taxing Entities by constructing new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris.

Section 4. That the City shall contract with the Non-Profit Entities for participation in said program. As a minimum, said contract shall include the following terms and conditions:

- a. As Lots become available to the City through the City's Contract with the Taxing Entities, those Lots shall be placed in a pool.
- b. Periodically, the City shall notify the Non-Profit Entities as to the location of the Lots. Within sixty (60) days following said notification, Paris Living shall notify the City and Paris Habitat for Humanity in writing as to the Lot or Lots it desires to utilize in its program of construction of new single family residential housing.
- c. Within thirty (30) days following receipt of said notification by the City, Paris Habitat for Humanity shall notify the City and Paris Living in writing as to any Lot or Lots it desires to utilize in its construction of new single family residential homes.
- d. Each respective Non-Profit Entity shall agree to begin active construction of new single family residential structures on the Lot or Lots so designated within twelve (12) months of their designation to the City; otherwise those Lots on which construction has not been initiated shall return to the pool of Lots maintained by the City. Each respective Non-Profit Entity may voluntarily return any lot previously designated to the City's pool of Lots by so notifying the City in writing of its request to do so.
- e. Precedent to initiation of construction of a single family residential structure on a Lot, the Non-Profit Entity shall be responsible for obtaining detailed title information from a reputable title company regarding the title status of the designated Lots, and shall at least fourteen (14) days in advance of the anticipated date to begin construction on said Lot, provide such information to the City. Based on said title information, the City shall assess the quality of title it may approve for said Lot or Lots, and shall as Trustee on behalf of the Taxing Entities convey to the Non-Profit Entity by title deed, up to a special warranty

deed, the interests of the Taxing Entities in the property.

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- f. For the period of time during which a Lot or Lots are designated for use by a Non-Profit Entity, that Non-Profit Entity shall be solely responsible for the maintenance of each Lot, including mowing, cleaning, etc. in conformance with all applicable City ordinances.
- g. All construction of new homes shall comply with all applicable City codes and ordinances, including but not limited to the City Building Code, Plumbing Code, Electrical Code, Fire Code, Historical Preservation Ordinance, and Zoning Ordinance.
- h. The term of the aforesaid contract with the respective Non-Profit Entity shall be for a term of five (5) years, provided, however, either party may terminate said contract following ninety (90) days notice of intent to terminate.
- i. The Non-Profit Entities covenant and agree that the Lots provided to them in accordance with this resolution shall be used and utilized exclusively in a program to construct single family residential houses for purchase by individual property owners, and for no other purpose.

Section 5. Houses constructed on the Lots conveyed to the Non-Profit Entities as provided in this resolution shall be subject to the following minimum architectural controls:

- a. Each structure shall be constructed on a permanent concrete foundation; and,
- b. Each structure shall be constructed with sloped roofs with a minimum 6 to 12 pitch; and,
- c. The roof for each structure shall be of composition shingle, unless the prevailing roofing material for existing houses on lots immediately adjacent to the Lot is of other material, in which case the roof for the new structure shall be consistent with the prevailing material for the adjacent lots in the area; and,
- d. All parking for the new residential structure shall be to the rear or the side of the structure, unless a garage is constructed with a front entry; and,
- e. All newly constructed houses shall have concrete or asphaltic driveways; and,
- f. All houses shall have main entrances fronting on the adjacent street or thoroughfare.

Section 6. That the City may enhance said program by the adoption of other inducements to construction of new homes as it shall deem appropriate, such as the

reduction or waiver of building permit fees or utility connection fees.

Section 7. That this resolution shall be effective from and after its date of passage.

PASSED AND APPROVED this 12th day of April, 2004.

Curtis Fendley, Mayor

ATTEST:

Mattie Cunningham, City Clerk

APPROVED AS TO FORM:

Larry W. Schenk, City Attorney

RESOLUTION NO. 2004-070

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS, AND
FOR CONTRACTS; PROVIDING FOR TRANSFER OF
PROPERTY INTERESTS; AUTHORIZING THE CITY MANAGER
TO EXECUTE OTHER DOCUMENTS ASSOCIATED WITH
THE PROGRAM; MAKING OTHER FINDINGS AND PROVISIONS
RELATED TO THE SUBJECT; AND DECLARING AN
EFFECTIVE DATE.**

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the city limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris foresees the need for a program for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law into a pool to afford qualified low and moderate income individuals the opportunity to obtain said lots, participate in other grant and loan programs, and construct new houses thereon, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for the Taxing Entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the Citizens of the City of Paris; and,

WHEREAS, the City of Paris has, pursuant to Chapter 791 of the Texas Government

Code, the Interlocal Cooperation Act, previously entered into an agreement styled Interlocal Agreement, Tax Trust Agreement, Limited Power of Attorney by and Among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District and Paris Junior College, whereby the other taxing entities have agreed to designate the City of Paris as Trustee for certain identified lots foreclosed for delinquent tax purposes for use in said program; and,

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community-based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, the City Council of the City of Paris, Texas, does hereby find and determine that the implementation of the aforesaid Homestead Program would be in the best interest of the citizens of the City of Paris, and in furtherance of the health, safety, and welfare of said citizens; and,

WHEREAS, the City Council of the City of Paris finds and determines that the activities authorized in the aforesaid program and in this resolution promote and serve a public purpose; and,

WHEREAS, the City Council of the City of Paris has previously approved prior Resolution No. 2004- _____ to create a program of non-profit home building by non-profit entities Paris Living, a Community Development Corporation, and Paris Habitat for Humanity, utilizing the aforesaid lots; and,

WHEREAS, the City Council of the City of Paris, Paris, Texas desires to create a new program to utilize those lots remaining unutilized by the aforesaid non-profit entities;
NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARIS,
PARIS, TEXAS:**

Section 1. That the findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. For the purposes of this resolution the following definitions shall apply:

a. *Contract with the Taxing Entities* shall mean that Interlocal Agreement, Tax Trust Agreement, and Limited Power of Attorney previously entered into by and among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District, and Paris Junior College for the implementation of the program stated herein.

b. *Lot or Lots* shall mean a tract, City lot, or other parcel of real property, whether identified by a formal survey (lot and block in a platted subdivision), or identified by metes and bounds description, or otherwise, which now or subsequent to the date of this agreement:

i. Is located within the corporate or city limits of the City of Paris, Texas, as those limits currently exist or shall hereafter be amended; and,

ii. Is vacant and if a structure is located thereon the structure is or has been unoccupied and abandoned as the terms vacant and abandoned are defined under the Texas Tax Code; and,

iii. Is located in an area zoned for single family residential use only pursuant to the Zoning Ordinance of the City of Paris; and,

iv. Has been lawfully foreclosed by representatives of the Taxing Entities for delinquent ad valorem taxes pursuant to the Texas Tax Code; and,

v. Has been or is eligible to be struck off to a trustee following a Sheriff's Sale in accordance with the Texas Tax Code and the property has not sold pursuant to Section 34.001 of the Texas Tax Code; and,

vi. One (1) calendar year, or the maximum period of time for redemption of said property according to the Texas Tax Code, whichever period of time is greater, has passed since the date of the Sheriff's sale.

c. *Non-Profit Entities* shall mean Paris Living, a Community Development Corporation, and Paris Habitat for Humanity.

d. *Taxing Entities* shall mean the City of Paris, County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College, individually and collectively.

Section 3. That there is hereby created a program for recycling single family residential Lots as described herein, the aforesaid program to be designated as the City of Paris Homestead Program (the Homestead Program). The purpose of said program shall be to recycle or place single family residential Lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, and which have not been utilized under a similar program by the Non-Profit Entities defined herein, into a pool for use by the City to afford qualified low and moderate individuals the opportunity to obtain said Lots, participate in other grant and loan programs, and construct new houses thereon, thereby alleviating community blight, removing said property from the group of properties maintained by the City, enhancing the tax base for all Taxing Entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris.

Section 4. That the City of Paris Homestead Program shall be administered by the City of Paris Community Development Department. The Director of said department shall be in charge of and have immediate responsibility for implementation of said program.

Section 5. That the opportunity to participate in the Homestead Program shall be extended to low and moderate income individuals in accordance with the income criteria established for the City's current Homebuyer Assistance Program, as those criteria currently exist or shall be hereafter amended. For purposes of this resolution, the initial income criteria are attached hereto as Exhibit A and for all purposes incorporated herein. The City will insure that all applicants for the Homestead Program qualify as moderate or below households. To qualify the combined annual (gross) income of the applicant and all persons in the household over the age of 18 years cannot exceed 80% of the area median income, adjusted for the family size as defined in 24 CFR Part 813 (Section 8 Housing Program). The income status must be valid at the time of initial certification by the City.

Section 6. That the following rules and regulations shall apply to implementation of the Homestead Program:

- a. Application for participation in the Homestead Program shall be made to the Director of Community Development, or the director's designee. Forms associated with such application process shall be prepared by the Director.
- b. Participation in the Homestead Program shall be restricted solely to construction of single family residential dwellings to be constructed on Lots as defined herein.
- c. The Lots eligible for use in the City's Homestead Program shall be those Lots remaining after Lots are designated for use in the City's Non-Profit Home Building Program.

d. Following approval of an application by the Director, the applicant shall be provided with a list of available Lots and, following review of said Lots, shall designate a Lot which the applicant desires for use in construction of a new home. Thereafter, the applicant shall enter into an earnest money contract, in such form as the City shall specify, which will authorize the applicant to receive a special warranty deed to the property from the City of Paris as Trustee for the remaining Taxing Entities, on the condition that the applicant shall file for a loan with a reputable lender acceptable to the City to pay the cost of construction of the aforesaid home. Upon approval of said loan application, and funding of the loan, the City shall convey the Lot to the applicant subject to such lien interests as the lender shall require. The earnest money contract shall require the applicant to complete construction of a single family residential home, otherwise in compliance with the requirements of this resolution, within one (1) year of approval and funding of the loan.

e. Approval for participation in the Homestead Program shall not preclude the applicant from participating in other applicable loan assistance or other programs for which the applicant may be qualified.

f. All construction of new homes shall in all things comply with all applicable city codes and ordinances, including but not limited to, the City Building Code, Plumbing Code, Electrical Code, Fire Code, Historical Preservation Ordinance and Zoning Ordinance.

g. Precedent to the transfer of the title deed to the applicant, the City shall obtain detailed title information from a reputable title company regarding the condition of the title to the designated Lot, and if the City is unsatisfied with the condition of the title to said Lot, the City shall notify the applicant accordingly, and said Lot shall be disqualified for use by the applicant and the applicant shall be entitled to select another Lot from the pool. If, however, the title to the Lot is satisfactory to the City, the City shall transfer ownership of the property as provided herein, provided, however, as part of the closing cost of the said transaction, the City shall be reimbursed for all title expenses incurred.

h. For all Lots transferred to the City by the Taxing Entities pursuant to the Homestead Program and this resolution, the City shall be solely responsible for the maintenance of said lots, including mowing, cleaning, etc.

i. Should the applicant fail to obtain the necessary financing for construction of the home within ninety (90) days of execution of the earnest money contract with the City, said contract shall terminate and become null and void and the City shall no longer be obligated under said contract.

Section 7. Houses constructed on the Lots conveyed to the qualified applicants pursuant to this resolution and the Homestead Program shall be subject to the following minimum architectural controls:

- a. Each structure shall be constructed on a permanent concrete foundation; and,
- b. Each structure shall be constructed with sloped roofs with a minimum 6 to 12 pitch; and,
- c. The roof for each structure shall be of composition shingle, unless the prevailing roofing material for existing houses on lots immediately adjacent to the Lot is of other material, in which case the roof for the new structure shall be consistent with the prevailing material for the adjacent lots in the area; and,
- d. All parking for the new residential structure shall be to the rear or the side of the structure, unless a garage is constructed with a front entry; and,
- e. All newly constructed houses shall have concrete or asphaltic driveways; and,
- f. All houses shall have main entrances fronting on the adjacent street or thoroughfare.

Section 8. That the City may enhance said program by the adoption of other inducements to construction of new homes as it shall deem appropriate, such as the reduction or waiver of building permit fees or utility connection fees.

Section 9. That this resolution shall be effective from and after its date of passage.

PASSED AND APPROVED this 12th day of April, 2004.

Curtis Fendley, Mayor

ATTEST:

Mattie Cunningham, City Clerk

APPROVED AS TO FORM:

Larry W. Schenk, City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS, APPROVING AND AUTHORIZING A COOPERATIVE AGREEMENT BY AND BETWEEN THE CITY OF PARIS AND PARIS LIVING, INC. FOR A PROGRAM OF NON-PROFIT HOME BUILDING WITHIN THE CITY LIMITS OF THE CITY OF PARIS; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the city limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris foresees the need for a program for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, into a pool of lots for use by designated non-profit entities for the construction of new single family residential houses, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for all local taxing entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris; and,

WHEREAS, the City of Paris has, pursuant to Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, previously entered into an agreement styled Interlocal Agreement, Tax Trust Agreement, Limited Power of Attorney by and Among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District and Paris Junior College, whereby the other taxing entities have agreed to designate the City of Paris as Trustee for certain identified lots foreclosed for delinquent tax purposes for use

in said program; and,

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community-based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, Paris Living, a Community Development Corporation, and a non-profit entity, has indicated an interest in participating in the aforesaid program for construction of new single family residential houses; and,

WHEREAS, the City Council of the City of Paris, Texas, has previously adopted Resolution No. 2004-069, on April 12, 2004, authorizing and empowering the City to negotiate a contract with Paris Living, Inc. for participation in the aforesaid program; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARIS, PARIS, TEXAS, THAT:

Section 1. That the findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. That a Cooperative Agreement by and between the City of Paris and Paris Living, Inc. for a program of non-profit home building within the city limits of the City of Paris, as such Agreement is attached hereto as Exhibit A and for all purposes incorporated herein, shall be and is hereby in all things approved, and the Mayor is hereby authorized to execute and the City Clerk to attest to said Agreement.

Section 3. That this resolution shall be effective from and after its date of passage.

PASSED AND APPROVED this 11th day of October, 2004.

Curtis Fendley, Mayor

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF LAMAR §

**Cooperative Agreement between
the City of Paris and Paris Living, Inc.,
for a Program of Non-Profit Homebuilding
within the city limits of the City of Paris**

This Agreement entered into this ____ day of _____, 2004, by and between the City of Paris, Texas, a political subdivision of the State of Texas and a Home Rule City with its offices located at City Hall, 125 1st Street S.E., Paris, Lamar County, Texas, and Paris Living, Inc., a Community Development Corporation and non-profit entity, with offices located at 2800 Lamar Avenue, Paris, Lamar County, Texas.

WITNESSETH

WHEREAS, the continued proliferation of vacant and abandoned lots and structures within the city limits of the City of Paris constitutes a blight on affected neighborhoods, encourages crime and illegal activity, and generally is detrimental to the health, safety, and welfare of the community; and,

WHEREAS, in the past, the City of Paris has utilized its own resources to periodically clean up such real property because the owners thereof have failed to meet their obligations as property owners; and,

WHEREAS, neglected properties are often properties on which taxes are unpaid, and when foreclosed for delinquent taxes often continue in a blighted condition, whether sold for taxes or not; and,

WHEREAS, the City of Paris, as a participant and active supporter in that program known as Keep Paris Beautiful, has already embarked on an ambitious series of ordinance changes to clean up and control junk, litter, substandard structures, waste hauling, and to promote historic preservation, all intended to address blighted conditions and the health, safety, and welfare of the City; and,

WHEREAS, as part of said effort, the City of Paris foresees the need for a program for recycling or placing single family residential lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons and have not been redeemed by their owners in accordance with state law, into a pool of lots for use by designated non-profit entities for the construction of new single family residential houses, thereby alleviating said blight, removing said property from the pool of properties maintained by the City, enhancing the tax base for all local taxing entities by fostering the construction of new single family residential homes, and generally improving the health, safety, and welfare of the citizens of the City of Paris; and,

WHEREAS, the City of Paris has, pursuant to Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act, previously entered into an agreement styled Interlocal Agreement, Tax Trust Agreement, Limited Power of Attorney by and Among the City of Paris, Lamar County, Paris Independent

School District, North Lamar Independent School District and Paris Junior College, whereby the other taxing entities have agreed to designate the City of Paris as Trustee for certain identified lots foreclosed for delinquent tax purposes for use in said program; and,

WHEREAS, Section 277.001(g) of the Local Government Code authorizes political subdivisions of the State of Texas to acquire or assemble interests in real property and sell, exchange, or otherwise convey said real property interests to individuals, corporations, partnerships, or other legal entities for the development of low or moderate income housing, on such terms and conditions and for such value as shall serve the public interest; and,

WHEREAS, Section 253.010 of the Local Government Code authorizes municipalities to provide for the manner in which any real property acquired by a municipality may be sold or transferred to certain non-profit entities engaged in developing housing for low income individuals and families to promote community-based revitalization; and,

WHEREAS, Section 253.011 of the Local Government Code authorizes municipalities to transfer real property, without the requirements of notice and bidding, to non-profit organizations in furtherance of a public purpose within the municipality; and,

WHEREAS, Paris Living, a Community Development Corporation and a non-profit entity, has indicated an interest in participating in the aforesaid program for construction of new single family residential houses; and,

WHEREAS, the City Council of the City of Paris, Texas, has previously adopted Resolution No. 2004-069, on April 12, 2004, authorizing and empowering the City to negotiate a contract (hereinafter referred to as the "Agreement") with Paris Living, Inc. for participation in the aforesaid program;

NOW, THEREFORE, THESE PREMISES CONSIDERED, and in return for the consideration recited herein, the City of Paris, hereinafter referred to as "CITY" and Paris Living, Inc., hereinafter referred to as "PARIS LIVING", agree as follows:

- I. For the purposes of this Agreement, the following definitions shall apply:
 - a. *Contract with the Taxing Entities* shall mean that Interlocal Agreement, Tax Trust Agreement, and Limited Power of Attorney previously entered into by and among the City of Paris, Lamar County, Paris Independent School District, North Lamar Independent School District, and Paris Junior College for the implementation of the program stated herein.

b. *Lot or Lots* shall mean a tract, City lot, or other parcel of real property, whether identified by a formal survey (lot and block in a platted subdivision), or identified by metes and bounds description, or otherwise, which now or subsequent to the date of this agreement:

1. Is located within the corporate or city limits of the City of Paris, Texas, as those limits currently exist or shall hereafter be amended; and,
2. Is vacant and if a structure is located thereon the structure is or has been unoccupied and abandoned as the terms vacant and abandoned are defined under the Texas Tax Code; and,
3. Is located in an area zoned for single family residential use only pursuant to the Zoning Ordinance of the City of Paris; and,
4. Has been lawfully foreclosed by representatives of the Taxing Entities for delinquent ad valorem taxes pursuant to the Texas Tax Code; and,
5. Has been or is eligible to be struck off to a trustee following a Sheriff's Sale in accordance with the Texas Tax Code, and the property has not sold pursuant to Section 34.001 of the Texas Tax Code; and,
6. One (1) calendar year or the maximum period of time for redemption of said property according to the Texas Tax Code, whichever period of time is greater, has passed since the date of the Sheriff's sale.

C. *Taxing Entities* shall mean the City of Paris, County of Lamar, Paris Independent School District, North Lamar Independent School District, and Paris Junior College, individually and collectively.

II. The purpose of this Agreement shall be to implement a non-profit homebuilding program in the City of Paris as authorized pursuant to Resolution No. 2004-068 and the accompanying Contract with the taxing entities associated therewith, and is further authorized in Resolution No. 2004-069, each of which was adopted by the City of Paris on April 12, 2004. The purpose of this Agreement is to implement a program in accordance with those resolutions to recycle or place single-family residential Lots or parcels of real property which have been foreclosed for delinquent ad valorem taxes or for other reasons, and have not been redeemed by their owners in accordance with state law, into a pool of lots, for use by among others Paris Living, Inc., for the construction of new single-family residential houses. Further goals of this Agreement shall be to alleviate community blight, to remove the aforementioned property from the group of properties maintained by the CITY, to enhance the tax base for all taxing entities by constructing new single-family residential homes, and to generally improve the health, safety, and welfare of the citizens of the City of Paris.

III. CITY and PARIS LIVING covenant and agree that said program shall be implemented as follows:

1.

As Lots become available to the CITY through the CITY's contract with the taxing entities, those Lots shall be placed in a pool.

2.

Periodically, CITY shall notify PARIS LIVING in writing as to the location of the Lots. Within sixty (60) days following the receipt of said notification, PARIS LIVING shall in turn notify the CITY in writing as to the Lot or Lots it desires to utilize in its program of construction of new single-family residential housing. Simultaneous with providing notice

to the CITY, PARIS LIVING shall likewise provide similar notice to PARIS HABITAT FOR HUMANITY, another participant in said program pursuant to a separate agreement with CITY.

3.

By providing said notification to the CITY, PARIS LIVING covenants and agrees to begin active construction of new single-family residential structures on the Lot or Lots so designated within twelve (12) months of their designation to CITY; otherwise, those Lots on which construction has not been initiated shall return to the pool of Lots maintained by the CITY. PARIS LIVING may voluntarily return any Lot previously designated to the CITY's pool of Lots by so notifying the CITY in writing of its request to do so.

4.

Prior to initiating any construction of a single-family residential structure on a Lot, PARIS LIVING shall be responsible for obtaining detailed title information from a reputable title company regarding the title status of the designated Lots, and shall at least fourteen (14) days in advance of the anticipated date to begin construction on said Lot, provide such information to the CITY. Based on said title information, the CITY shall assess the quality of title it may approve for said Lot or Lots, and shall as trustee on behalf of the Taxing Entities convey to PARIS LIVING by title deed, up to a special warranty deed, the interest of the Taxing Entities in the property.

IV. For the period of time during which a Lot or Lots are designated for use by PARIS LIVING pursuant to this agreement, PARIS LIVING covenants and agrees that it shall be solely responsible for the maintenance of said Lot, including performing any required mowing, cleaning, or other maintenance activities in conformance with all applicable City Ordinances.

V. All construction of new homes pursuant to this Agreement by PARIS LIVING shall comply with all applicable City Codes and Ordinances, including but not limited to, the City Building Code, Plumbing Code, Electrical Code, Fire Code, Historical Preservation

Ordinance, and Zoning Ordinance.

- VI. PARIS LIVING covenants and agrees that the Lots provided by the CITY pursuant to this Agreement shall be used and utilized exclusively in a program to construct single-family residential houses for purchase by individual low and moderate income property owners and for no other purpose.
- VII. PARIS LIVING covenants and agrees that houses constructed on the Lots conveyed by the CITY to PARIS LIVING pursuant to this Agreement shall be subject to the following minimum architectural controls:
- A. Each structure shall be constructed on a permanent concrete foundation; and,
 - B. Each structure shall be constructed with a sloped roof with a minimum 6 to 12 pitch; and,
 - C. The roof for each structure shall be of composition shingle, unless the prevailing roofing material for existing houses on lots immediately adjacent to the Lot is of other material, in which case the roof for the new structures shall be consistent with the prevailing material for the adjacent lots in the area; and,
 - D. All parking for the new residential structure shall be to the rear or the side of the structure, unless a garage is constructed with a front entry; and,
 - E. All newly constructed houses shall have concrete or asphaltic driveways; and,
 - F. All houses shall have main entrances fronting on the adjacent street or thoroughfare.
- VIII. PARIS LIVING covenants and agrees that no person shall, on the grounds of race, color, creed, sex, age, national origin, or disability, be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the aforesaid program.
- IX. Other than the CITY providing the Lots as stated herein, all other costs associated with implementation of this Agreement, including construction costs, sales costs, title search expenses, title insurance, closing costs, attorney's fees, and any other costs associated with the construction and sale of the single-family residential structures required under this Agreement shall be paid solely by PARIS LIVING.
- X. That this Agreement may not be assigned or transferred in any fashion without the express written approval of CITY.
- XI. That no amendment, modification, or alteration of the terms of this Agreement shall be binding unless same is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties hereto.

XII. That the term of this Agreement shall be for a period of five (5) years, provided, however, either party to this Agreement may terminate said Agreement following ninety (90) days written notice to the other party of intent to terminate.

EXECUTED in duplicate originals the date shown in the acknowledgments below.

CITY OF PARIS, PARIS, TEXAS

Curtis Fendley, Mayor

ATTEST:

Sherian Dixon, Assistant City Clerk

APPROVED AS TO FORM:

Larry W. Schenk, City Attorney

PARIS LIVING

ATTEST:
