

RESOLUTION NO. 31-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE SALE OF THREE TAX-FORECLOSED PROPERTIES LOCATED AT 1004 GRANDE DRIVE, 907 JARDIN DRIVE, AND 810 LEYENDA DRIVE IN MESQUITE, TEXAS (THE “PROPERTIES”); ACCEPTING THE OFFERS FROM HOSSAIN DEZHAM (THE “PURCHASER”) TO PURCHASE THE PROPERTIES; RATIFYING AND APPROVING THE OFFER AND PURCHASE AGREEMENTS EXECUTED BY THE PURCHASER SETTING FORTH THE TERMS AND CONDITIONS OF THE SALE OF THE PROPERTIES; CONSENTING TO THE TERMINATION, RELEASE, AND DISCHARGE OF CERTAIN COVENANTS, CONDITIONS, AND RESTRICTIONS IMPOSED ON THE PROPERTIES; AUTHORIZING THE CITY MANAGER TO EXECUTE A RELEASE OF DEED RESTRICTIONS AND A QUITCLAIM DEED WITH RESPECT TO EACH OF THE PROPERTIES; AND AUTHORIZING THE CITY MANAGER TO TAKE ALL ACTIONS AND EXECUTE ALL OTHER DOCUMENTS NECESSARY OR REQUESTED TO COMPLETE THE CLOSING AND SALE OF THE PROPERTIES.

WHEREAS, the City of Mesquite, Texas (the “City”), the Mesquite Independent School District (“MISD”), and Dallas County, Texas, on its behalf and on behalf of the Dallas County Community College District, the Parkland Hospital District and the Dallas County School Equalization Fund (collectively “Dallas County”), seek to work together in intergovernmental cooperation to return tax delinquent unproductive properties back to productive use and back to producing tax revenue; and

WHEREAS, the Texas Tax Code permits the foreclosure of a tax lien and the sale of real property in order to collect delinquent taxes; and

WHEREAS, at the tax foreclosure sale of the properties described in Exhibit A, attached hereto and made a part hereof for all purposes (collectively the “Properties”), the Properties were “struck off” to the City to be held on the City’s behalf and as trustee for MISD and Dallas County; and

WHEREAS, the existence of blighted, abandoned, or vacant tax delinquent properties negatively impacts adjacent property values, citizen quality of life, and the tax revenues of local taxing units; and

WHEREAS, a return of delinquent tax properties to productivity would encourage revitalization of deteriorating neighborhoods, improve adjacent property values, reduce governmental expenditures on these properties, and provide an increased tax base that would thus enhance future tax revenues; and

WHEREAS, in 2015, with the permission of MISD and Dallas County, the Properties were sold to Dallas Area Habitat for Humanity, Inc., a Texas nonprofit corporation of the County of Dallas, State of Texas (“**DAHH**”), for \$1,500.00 each plus post-judgment taxes owed on each of the Properties; and

WHEREAS, the Properties were sold to DAHH for less than fair market value because DAHH represented that it would construct affordable housing on the Properties; and

WHEREAS, the deeds conveying the Properties to DAHH recorded as Instrument Nos. 201500342767, 201500342768, and 201500342769 (the “**Deeds**”) imposed certain covenants, conditions, and restrictions on the Properties including, without limitation, restricting the development of the Properties for affordable housing and restricting the sale of the Properties to person(s) meeting certain income limitations who would occupy the Properties as their principal residence, such covenants, conditions and restrictions being more specifically set forth in the Deeds (the “**Deed Restrictions**”); and

WHEREAS, the City, on its behalf and as Trustee for MISD and Dallas County (the “**Taxing Entities**”) conveyed the Properties to DAHH subject to an automatic right of reverter retained in the Deeds. DAHH failed to fulfill the requirements set forth in the Deeds and, pursuant to the terms of the Deeds, the Properties have reverted to the Taxing Entities; and

WHEREAS, MISD and Dallas County have consented to the sale of the Properties as more fully set forth in Exhibit A and have consented to the execution by the City of a quitclaim deed for each of the Properties conveying the right, title, and interest acquired or held by MISD and Dallas County in said Properties to Hossain Dezham (the “**Purchaser**”); and

WHEREAS, the Purchaser has executed and delivered to the City Offer and Purchase Agreements to purchase the Properties (collectively the “**Offer and Purchase Agreements**”) for the prices set forth in Exhibit A subject to the terms and provisions set forth in the Offer and Purchase Agreements; and

WHEREAS, the proposed sale of 810 Leyenda Drive, Mesquite, Texas, meets the conditions of Texas Tax Code §34.05(h) as more fully set forth in Exhibit A and was presented to the Taxing Entities entitled to the proceeds of the sale of such property for their consent; and

WHEREAS, the proposed sale of 1004 Grande Drive, Mesquite, Texas, and 907 Jardin Drive, Mesquite, Texas, meet the conditions of Texas Tax Code §34.05(j) as more fully set forth in Exhibit A and requires the consent of the Taxing Entities entitled to the proceeds of the sale of such properties; and

WHEREAS, on April 12, 2021, by resolutions, the MISD’s Board of Trustees approved the sale of the Properties; and

WHEREAS, on April 20, 2021, with the passage of Court Orders 2021-0406, 2021-0407, and 2021-0408, the Dallas County Commissioners Court approved the sale of the Properties; and

WHEREAS, pursuant to Texas Tax Code §34.05(h), a tax foreclosed property may be sold at a private sale without the consent of each taxing unit entitled to receive proceeds of the sale if the property is sold for an amount equal to or greater than the lesser of:

- (1) the market value specified in the judgment; or
- (2) the total amount of the judgment; and

WHEREAS, pursuant to Texas Tax Code §34.05(j), a tax foreclosed property may be sold at a private sale for an amount equal to or greater than its market value, as shown by the most recent certified appraisal roll, if:

- (1) the sum of the amount of the judgment plus post-judgment taxes, penalties, and interest owing against the property exceeds the market value; and
- (2) each taxing unit entitled to receive proceeds of the sale consents to the sale for that amount; and

WHEREAS, pursuant to Texas Tax Code §34.05(h), 810 Leyenda Drive, Mesquite, Texas, will be sold subject to post-judgment taxes, penalties, and interest; and

WHEREAS, pursuant to Texas Tax Code §34.05(k), a sale pursuant to §34.05(j) will discharge and extinguish all liens foreclosed by the judgment and all post-judgment taxes, penalties and interest, except for prorated taxes for the year of closing; and

WHEREAS, it is in the public interest of the citizens of Mesquite that the Deed Restrictions be terminated, released and discharged and that the sale of the Properties be approved by the City Council upon the terms and conditions more fully set forth herein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City accepts the offer to purchase the Properties by the Purchaser for the prices set forth in Exhibit A.

SECTION 2. That the City Council ratifies and approves the terms and conditions of the Offer and Purchase Agreements executed by the Purchaser.

SECTION 3. That the City is hereby authorized to sell the Properties to the Purchaser for the prices set forth in Exhibit A.

SECTION 4. That the City Council consents to the termination, release, and discharge of the Deed Restrictions and hereby authorizes the City Manager to execute a Release of Deed Restrictions with respect to each of the Properties to be recorded in the Official Public Records of Dallas County, Texas, terminating, releasing, and forever discharging the Deed Restrictions and releasing and forever discharging the Properties from the Deed Restrictions.

SECTION 5. That the City Manager is hereby authorized to execute a quitclaim deed for each of the Properties and is further authorized to take all actions and execute all other documents necessary or requested to complete the closings and sale of the Properties.

SECTION 6. That 810 Leyenda Drive, Mesquite, Texas, shall be sold subject to: (i) the prior owners' remaining right of redemption, if any; (ii) post-judgment taxes, penalties, and interest; and (iii) prorated taxes for the year of closing.

SECTION 7. That 1004 Grande Drive, Mesquite, Texas, and 907 Jardin Drive, Mesquite, Texas, shall be sold subject to: (i) the prior owners' remaining right of redemption, if any; and (ii) prorated taxes for the year of closing.

SECTION 8. That the proceeds from the sale of the Properties shall be paid first to the City to reimburse the City's reasonable costs, if any, pursuant to Texas Tax Code §34.06(c). After retaining the amount authorized by Texas Tax Code, §34.06(c), the remaining proceeds of the sale of the Properties, if any, shall be distributed pursuant to Texas Tax Code §34.06(d) and (e) and as otherwise provided by law.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 17th day of May 2021.



Bruce Archer
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

EXHIBIT "A" - TAX FORECLOSURE PROPERTY STRUCK OFF TO THE CITY OF MESQUITE AS TRUSTEE FOR MESQUITE INDEPENDENT SCHOOL DISTRICT AND DALLAS COUNTY

R&B District #	MAPSCO	PROPERTY ADDRESS	CAUSE # / JUDGMENT DATE	TAX YEARS INCLUDED IN JUDGMENT (CO/CITY/SCHOOL)	DATE OF SHERIFF'S SALE	DCAD TAX ACCOUNT #	"I" or "U"	APPROX LAND SIZE	CURRENT DCAD VALUE	MARKET VALUE IN JUDGMENT	JUDGMENT STRIKE OFF AMOUNT (Total Amount in Judgment including Administrative Fees, Court Fees, Sheriff's Fees & Publication Fees)	OFFER AMOUNT	POST-JUDGMENT TAXES with an anticipated May 2021 closing date, if applicable	OFFER AMOUNT + POST-JUDGMENT TAXES, if applicable	% OF CURRENT DCAD VALUE	PROPOSED SALE TO BE TAX CODE	HIGH BIDDER(S)
3	50-W	1004 Grande Drive	TX-10-32038 10/5/2011	County: 2003-2010 City: 2003-2010 MISD: 2003-2010	11/5/2013	38126500120170000	U	7,194 SF	\$ 30,000.00	\$ 19,010.00	\$ 30,505.70	\$ 30,000.00	\$ -	\$ 30,000.00	100%	34.05(j)	Hossain Dezhem
3	50-W	907 Jardin Drive	TX-12-40282 1/30/2013	County: 2002-2011 City: 2003-2011 MISD: 2003-2011	8/6/2013	38126500100350000	U	7,751 SF	\$ 30,000.00	\$ 17,370.00	\$ 33,321.14	\$ 30,000.00	\$ -	\$ 30,000.00	100%	34.05(j)	Hossain Dezhem
3	50-W	810 Leyenda Drive	TX-10-40386 3/14/2011	County: 2002-2010 City: 2003-2010 MISD: 2003-2010	2/7/2012	38128500130240000	U	7,388 SF	\$ 30,000.00	\$ 27,430.00	\$ 26,669.80	\$ 30,000.00	\$ -	\$ 30,000.00	100%	34.05(h)	Hossain Dezhem