

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

**INTERLOCAL AGREEMENT FOR
SALE OF TAX FORECLOSED PROPERTIES**

This **Interlocal Agreement** (“Agreement”) is entered into this ___ date of _____, 2008 between the **CITY OF EL PASO** (“City”), a municipal corporation and home-rule city of the State of Texas, principally situated in El Paso County, Texas, acting by and through its governing body, the City Council of the City of El Paso, **EL PASO COUNTY** (“County”), a political subdivision of the State of Texas, acting by and through its governing body, the Commissioners Court, the **EL PASO COMMUNITY COLLEGE SYSTEM** (“EPCC”), a community college district created under the Texas Education Code, the **EL PASO INDEPENDENT SCHOOL DISTRICT** (“EPISD”), an independent district and political subdivision organized under the laws of the State of Texas, the **YSLETA INDEPENDENT SCHOOL DISTRICT** (“YISD”), an independent school district and political subdivision organized under the laws of the State of Texas, the **SOCORRO INDEPENDENT SCHOOL DISTRICT** (“SISD”), an independent school district and political subdivision organized under the laws of the State of Texas, the **EL PASO COUNTY EDUCATION DISTRICT** (“CED”), a body corporate and a political subdivision of the State of Texas, and the **EL PASO COUNTY HOSPITAL DISTRICT** (“Thomason”), a body corporate and a political subdivision of the State of Texas, (collectively hereinafter referred to as the “Parties”).

RECITALS

WHEREAS, Texas Government Code Chapter 791 (Interlocal Cooperation Contracts) authorizes local governments to contract with one another in order to increase their efficiency and effectiveness;

WHEREAS, the Parties seek to work together in intergovernmental cooperation to return tax delinquent unproductive properties back to productive use and back to producing tax revenue;

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

WHEREAS, following the tax foreclosure sale, certain properties remain unsold and may be “struck off” to the City or one of the Parties;

WHEREAS, the existence of many blighted, abandoned or vacant properties negatively impacts the tax revenues of local taxing units by annually adding to each taxing unit's delinquent tax rolls with little or no chance of ever recovering these assessments;

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

WHEREAS, Texas Tax Code Section 34.051 allows the City to enter into an interlocal agreement with other taxing units to obtain consent to the terms and conditions governing the City's resale of certain tax foreclosed properties for the purposes stated herein;

WHEREAS, the City's goals to eliminate blight and deterioration in neighborhoods; to provide decent, safe, affordable housing; to increase the tax base; and to continue to support the production and preservation of affordable housing for families of low and moderate income form a part of the City's Urban Redevelopment Plan/City's Affordable Housing Policy, and such a plans are required by TEX. TAX CODE §34.051 as a condition to the resale of tax foreclosed properties;

WHEREAS, the City of El Paso on October 31, 2006 by Ordinance No. 016487 has adopted an urban redevelopment plan known as the Downtown 2015 Plan;

WHEREAS, the City of El Paso on by Resolution has adopted an affordable housing policy, on January 1, 2008 by Resolution of the City Council as a part of the Chamizal Revitalization Strategy and on January 1, 2008 by Resolution of the City Council as a part of the Lower Dyer Revitalization Strategy; and

WHEREAS, this Agreement is entered into for the purposes of complying with the TEX. TAX CODE § 34.051 that authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties.

NOW, THEREFORE, the Parties enter into this Agreement as follows:

1. Purpose and Background. The purpose of this Agreement is to comply with TEX. TAX CODE § 34.051 (the "Statute"), which authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties. The tax foreclosed properties shall be used only for a purpose consistent with the City's Downtown 2015 Plan or the City's affordable housing policies as set forth in the 2005-2010 Consolidated Plan, the Chamizal Revitalization Strategy and the Lower Dyer Revitalization Strategy (as such plans and strategies may hereinafter be amended by the City) and for providing housing for families of low or moderate income (as defined under regulations adopted by the U.S. Department of Housing and Urban Development). The principal goal of this Agreement, pursuant to subsection (b)(4) of the Statute, is to provide an efficient mechanism for returning deteriorated or unproductive properties to the tax rolls, enhancing the value of ownership to surrounding properties, and improving safety and quality of life in deteriorating neighborhoods.

2. Tax Foreclosed Property or Properties. The Parties agree that the tax foreclosed property or properties, as used in this Agreement, means only those real properties where the City takes title as trustee taxing unit to the property at any public sale in which no bid was received from the public, and the property is either vacant or distressed and has a tax delinquency of six or more years. At least annually on or about October 1 of each year, the City shall submit a proposed list of the properties that the City intends to be subject to the terms of this Agreement. The Parties may each review such list and take such action as each party deems appropriate to approve or disapprove the list or any property therein within 30 days of the party's receipt of the proposed list. Unless any one of the Parties notify the City of their disapproval of

the list or any listed property, the City will proceed to implement this Agreement with regard to that year's listed tax foreclosed properties.

3. Conveyance of Tax Foreclosure Properties. By execution of this Agreement, the Parties hereby consent to the sale of tax foreclosure properties at less than the market value specified in the judgment of the foreclosure or less than the total amount of the judgment(s) against the property in accordance with the Statute and this Agreement and authorize the City to convey the tax foreclosed property to the Purchaser selected by the City as set forth in Paragraph 4 below. The deed by the City pursuant to such consent conveys all right, title, and interest acquired by each such taxing units **subject to any right of redemption** and shall restrict the tax foreclosed property be used in a manner consistent with the urban redevelopment plan and/or affordable housing policy(ies), established by the City to provide affordable housing for families of low and moderate incomes. The Purchaser must use the property only in accordance with this Agreement and such urban redevelopment plan and/or housing policy(ies) for the primary purpose of carrying out the City goals for urban redevelopment or affordable housing through acquiring, maintaining, redeveloping and disposing of such tax-foreclosed properties.

4. Mechanism. The City shall select the tax foreclosed properties that will be conveyed in accordance with the Statute and this Agreement and notify the other parties of its intent to sell each property pursuant to this Agreement. The City or its designee shall sell the foreclosed properties under the terms and conditions established by the City in a Request for Proposals from qualified community development housing organizations or other qualified non-profit or for profit housing developers in developing and constructing affordable houses on the selected tax foreclosed properties in accordance with the Statute and this Agreement. The Parties agree that any proceeds from the sale of each tax-foreclosed property by the City shall be first paid to the City to reimburse its costs, if any, pursuant to TEX. TAX CODE § 34.06 (c). After retaining the amounts authorized by this subsection, the proceeds of the sale, if any, shall be distributed pursuant to TEX. TAX CODE § 34.06 (d) and (e).

5. Renewal and Termination. This Agreement shall be in effect until _____, 2009 and shall be automatically renewed thereafter on a year to year basis and remain in effect until terminated by mutual consent of the Parties or by effective written notice of any party. If any Party elects not to renew this Agreement by providing a written termination notice, then the City agrees to resell any lot or parcel of land that the City has not at that time resold pursuant to TEX. TAX CODE § 34.05.

6. Notice. Notice to Parties under this Agreement shall be sent by certified mail, return receipt requested, to the address set out below for each Party.

7. Written Amendment. This Agreement may be amended only by the mutual agreement of the Parties in writing.

8. Severability. If any part of this Agreement is held to be illegal, such part shall be deemed severable and the remaining parts shall nevertheless be binding.

9. No Waiver of Immunity. No Party waives or relinquishes any immunity or defense on behalf of itself, officers, employees and agents as a result of its execution of this Agreement and performance of the terms contained herein.

10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and any other prior understandings, written or oral agreements between them are merged into this Agreement.

(Signature Page(s) to follow)

THE STATE OF TEXAS)
)
)
COUNTY OF EL PASO)

**INTERLOCAL AGREEMENT FOR
SALE OF TAX FORECLOSED PROPERTIES**

(Signature Page (1))

ATTEST:

CITY OF EL PASO
#2 Civic Center Plaza
El Paso, Texas 79901

Richarda Momsen
CITY CLERK

John Cook
MAYOR

ATTEST:

EL PASO COUNTY
500 East San Antonio, Room 300
El Paso, Texas 79901

Delia Briones
COUNTY CLERK

Anthony Cobos
COUNTY JUDGE

ATTEST:

EL PASO COMMUNITY COLLEGE
9050 Viscount
El Paso, Texas 79925

ATTEST:

EL PASO INDEPENDENT SCHOOL
DISTRICT
6531 Boeing Drive
El Paso, Texas 79925

(Signature Page (2))

ATTEST:

YSLETA INDEPENDENT SCHOOL
DISTRICT
9600 Sims Drive
El Paso, Texas 79925

ATTEST:

SOCORRO INDEPENDENT SCHOOL
DISTRICT
12440 Rojas Drive
El Paso, Texas 79928

ATTEST:

EL PASO COUNTY EDUCATION
DISTRICT by REGION XIX
6611 Boeing Drive
El Paso, Texas 79925

ATTEST:

EL PASO COUNTY HOSPITAL
DISTRICT
(R. E. THOMASON HOSPITAL)
4815 Alameda Avenue
El Paso, Texas 79905

Celeste A. Varela

From: Lee Shapleigh [Lee.Shapleigh@ca.epcounty.com]
Sent: Monday, December 01, 2008 5:01 PM
To: Rosemary Neill; Veronica Escobar
Subject: K-08-432/Fresh Start/Foreclosed Props for City Urban Develop Plans/Interlocal
Attachments: K08432 Foreclosed Prop - Urban Dev Plans.DOC

COUNTY LEGAL REVIEW FORM

KK-08-432

Contract Description: Fresh Start/Foreclosed Props for City Urban Develop Plans/Interlocal

COUNTY ATTORNEY ACTION**

****Requested Amendments/Clarifications:** We assume you have submitted any questions or comments you have regarding the terms of the contract, as well as any specific provisions to which you object, or which you want to have changed.

 X Approved as to Form as Submitted
 Approved as to Form with Amendments/Modifications/Reservations Noted Below*
 Not Approved

*1)

This document has been given legal review by the El Paso County Attorney's Office on behalf of the County of El Paso, its officers, and employees. Said legal review should not be relied upon by any person or entity other than the County of El Paso, its officers, and employees.

Lee Shapleigh
Assistant County Attorney