

THE STATE OF TEXAS            )  
  )  
COUNTY OF JOHNSON            )            **INTERLOCAL AGREEMENT FOR  
SALE OF TAX FORECLOSED PROPERTIES**

This **Interlocal Agreement** (“Agreement”) is entered into this 24<sup>th</sup> date of February, 2015 between the **CITY OF CLEBURNE** (“City”), a municipal corporation of the State of Texas, principally situated in Johnson County, Texas, acting by and through its governing body, the City Council of the City of Cleburne, **JOHNSON COUNTY** (“County”), a political subdivision of the State of Texas, acting by and through its governing body, the Commissioners Court, the **HILL COLLEGE DISTRICT** (“College”), a college district created under the Texas Education Code, the **CLEBURNE INDEPENDENT SCHOOL DISTRICT** (“CISD”), an independent school district and political subdivision organized under the laws of the State of Texas and the **JOSHUA INDEPENDENT SCHOOL DISTRICT** (“JISD”), an independent school district and political subdivision organized under the laws of the State of Texas, (all 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; and

**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; and

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

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

**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; and

**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; and

**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; and

**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 plans are required by TEX. TAX CODE §34.051 as a condition to the resale of tax foreclosed properties; and

**WHEREAS**, the City of Cleburne on October 14, 2014 by Ordinance No. RS10-2014-59 has adopted an urban redevelopment plan known as the Community Powered Revitalization "CPR" Program; and

**WHEREAS**, the City of Cleburne by Resolution has adopted said CPR Program as part of the Cleburne Comprehensive Plan of 2014 which recommends (1) plans and policies to assist in raising median home values, and (2) the encouragement of diversification by providing higher density housing and affordable housing in appropriate locations; and

**WHEREAS**, this Agreement is entered into for the purposes of complying with TEXAS TAX CODE § 34.051 that authorizes the Parties to enter into an inter-local 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 inter-local agreement governing the resale of certain tax foreclosed properties. The tax foreclosed properties shall be used only for a purpose consistent with Community Powered Revitalization "CPR" Program (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, 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 Community Powered Revitalization "CPR" Program. 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 December 31, 2016, 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.

Signed this date of FEBRUARY 24, 2015.

CITY OF CLEBURNE

[Signature]  
INTERIM CITY MANAGER

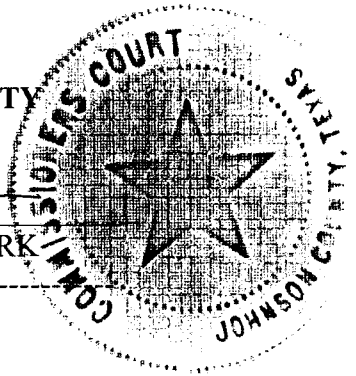
[Signature]  
ATTEST, CITY SECRETARY

Signed this date of MARCH 9, 2015.

JOHNSON COUNTY

[Signature]  
COUNTY JUDGE

[Signature]  
ATTEST, COUNTY CLERK



Signed this date of MAY 18, 2015.

CLEBURNE I.S.D.

[Signature]  
PRESIDENT, SCHOOL BOARD

[Signature]  
ATTEST, BOARD SECRETARY

Signed this date of JULY 20, 2015.

JOSHUA I.S.D.

[Signature]  
PRESIDENT, BOARD OF TRUSTEES

[Signature]  
ATTEST, BOARD SECRETARY

Signed this date of \_\_\_\_\_.

HILL COLLEGE

[Signature]  
PRESIDENT BOARD OF REGENTS

ATTEST, BOARD SECRETARY