



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** October 24, 2016

SUBJECT: Consider authorizing the Mayor to execute a release and waiver of deed restrictions within the Richland Terrace Addition

PRESENTER: Craig Hulse, Director of Economic Development

SUMMARY:

The City Council is being asked to approve a 'Release and Waiver' instrument related to restrictions included in the original Richland Terrace Addition plat that was recorded in 1959. In specific, this item considers the removal of restrictions that prevent the Addition's land use for anything other than the single family residential use.

GENERAL DESCRIPTION:

In 1959, Richland Terrace Inc. filed a plat in the Tarrant County real property records subdividing a single tract into 44 single family lots now known as the Richland Terrace Addition.

At this time homeowners associations (HOAs) were not widely used. Instead, typical covenants and regulations were sometimes included in the plat. In this case, the Richland Terrace Addition plat included various regulations common home improvements (i.e. patios, outbuildings, fences, etc.). It also included a provision limiting the use of the lots to single family residential purposes only.

Numerous events (noted below) have occurred since 1959, introducing the potential for other uses beyond single family residential.

- 1967 - Completion of IH Loop 820, also known as NE Loop 820, a 4-lane highway
- 1976 - Construction of the former NRH City Hall
- 2014 - Expansion of IH Loop 820 into the 8-lane North Tarrant Express
- 2015 – Former NRH City Hall on NE Loop 820 listed for sale



In properly preparing the former City Hall for sale, it was discovered that the current restriction limits interest in the adjacent residential properties, specifically by parties interested in purchasing and/or developing the property for a use other than as a single family residence.

The recorded plat provides that in order to remove any restriction, the change must be approved by a majority of the owners of the original 44 lots. The City currently owns 25 of the 44 original Richland Terrace Addition lots (20 of which were used to develop the former City Hall, and an additional 5 lots within the Addition), totaling 56% of the original lots, which constitutes a majority.

A Release and Waiver of Deed Restrictions instrument (contract) has been prepared for City Council to consider whether these restrictions limit the future use and marketability of the lots to the disadvantage of both the City and the other owners, and as a majority owner, should release and waive the restrictions created by the plat.

Council approval does not force any of the property owners to move or to stop using the property as a single family residence, nor would it prevent them from selling their property to a buyer for use as a single family residence. Rather, it removes a restriction that would prevent the sale of property for some use other than single family residential. Moreover, the existing residential lots are still zoned for single family residential use. Therefore, any plan for a different use would require that a zoning change be approved by the Planning and Zoning Commission and the City Council.

The balance of affected property owners were mailed an envelope containing a letter explaining the restriction, the October 24, 2016 City Council consideration and a 'Petition to Modify Restrictions' prepared by the City for their consideration. Since the City owns a majority of the properties the modification to the deed restrictions is not dependent on support from the remaining lot owners. We do still anticipate that some lot owners will sign as a way of showing their support for redevelopment of the area.

RECOMMENDATION:

Authorize the Mayor to execute a release and waiver of deed restrictions within the Richland Terrace Addition.