



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: February 1, 2016

Re: Transferring Council Reserves to the Community Development Department to Procure a Community Land Trust Consultant

Executive Summary

Approval of the attached resolution will transfer funds from the Council Reserve account to the Community Development Department for the purpose of procuring a Community Land Trust Consultant.

Discussion

This memo responds to a Council request to transfer funding from Council reserves to the Community Development Department to procure consulting services to assist with the planning and development of a community land trust organization (also referred to here as "land trust").

The City Council approved the purchase of land located on Lynn Street for the purpose of developing affordable housing under the land trust model. \$200,000 in FY 2014 General Fund Savings also was appropriated within the FY 2016 City Budget for the purpose of developing four energy efficient and universally designed affordable homes on Lynn Street. Council also recently approved an amendment to the PUD for the Lynn Street Cottages development. City staff intends for the Lynn Street Cottages development to be the first community land trust development in Columbia. It is intended that organizational planning and formation of the land trust entity will coincide with the development of the 4 homes. City staff anticipates completion of construction and formation of the land trust entity by early 2017.

The land trust model allows for long-term affordability where the structure is sold to a qualified buyer, while the land trust entity maintains ownership of the land. This model is a proven method for ensuring long-term affordability and property maintenance in homes where public funds are invested. Creating affordable housing under this method also greatly reduces the sales price to qualified buyers by removing the cost of the land. There are approximately 10,000 land trust housing units nationwide.

Community Development Department staff has toured other land trust entity organizations and operations located in Lawrence, KS and Lexington, KY. Staff also attended the National Community Land Trust Conference this past October and gained additional information from a variety of land trust entities across the nation. Several land trust entities recommended procuring additional assistance during the planning phase, due to the complexity of the organizational function and importance of the organizational structure. City staff spoke with several additional land trust entities and found that many land trust organizations focused more attention to the development of homes, rather than their organizational structure,



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resulting in the need to retroactively amend by-laws and operational plans to ensure their corresponding communities are best served by the function and corporate structure of their land trust.

City staff has had continued contact and gained additional information from Michael Brown of Burlington and Associates, regarding professional services. A contract for Phase I and scope of services for both Phase I and II is included with this packet. Phase I pertains to feasibility and organizational structure planning, while Phase II includes the development of a strategic plan and a plan for operations. City staff requested Michael Brown provide a contract for Phase I to allow a “go” or “no-go” decision to be made prior to proceeding with final implementation and planning efforts under Phase II. If a “no-go” decision is made, the City can sell the 4 homes on Lynn similar to previously developed affordable housing throughout Columbia. If a “go” decision is made, the City can then procure Michael Brown’s Phase II services and complete implementation of the land trust entity.

City staff has spoken with several other entities that have procured Michael Brown’s services. Michael Brown has provided consulting services to the following cities, municipalities and state agencies for similar services:

Public sector clients that developed community land trusts as a result of Michael’s Assistance:

- City of Chicago, Illinois
- City and Borough of Sitka, Alaska
- St. Tammany Parish, Louisiana
- City of Highland Park, Illinois
- Sarasota County, Florida
- Pima County and City of Tucson, Arizona
- Washington County Housing and Redevelopment Authority, Woodbury, Minnesota
- Michigan State Housing Development Agency, Lansing, Michigan
- City of Austin, Texas
- City of Las Vegas, Nevada
- Lee County, Florida
- Nevada Rural Housing Authority, Reno, Nevada
- City of Asheville, North Carolina

Other communities in which Michael is currently working or has worked in the last year:

- Atlanta, GA
- Baltimore, MD
- New York, NY
- Cleveland, OH
- Flagstaff, AZ
- Lexington, KY
- Pittsburgh, PA
- Jackson, MS
- East Harlem, NY



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New Orleans, LA
Minot, ND
Long Island, NY
San Bernardino, CA
Palm Beach County, FL
Broward County, FL
Pinellas County, FL
State of Wyoming
Duluth, MN

The formation of a community land trust or housing trust fund has been identified as an important affordable housing goal in several community forums over the past 10 years in Columbia. The creation of a Housing Trust fund was initially identified in the Affordable Housing Policy Task Force Report completed in 2008, and provisions for long-term affordability were included within that report. The 2010-2014 City Consolidated Plan also included a goal of starting a new Housing Trust fund and organization. The creation of a housing trust fund was also identified as a strategy and objective for addressing affordable housing within the City's Visioning process.

The City of Columbia recently hosted the Affordable Housing Symposium on December 3 and 4th. The event included 132 attendees representing a diverse number of groups and individuals. The event was attended by local banks, developers, builders, business and community leaders, neighborhood representatives, social service providers, the university, the Chamber of Commerce, the Board of Realtors, and individual members of the public. The most important goal of the event was to develop 3-5 actionable steps to advance affordable housing in Columbia. The top rated item was to develop a "housing trust fund" to develop and maintain long-term affordable housing.

The development of a housing trust fund and/or community land trust has been identified as an important goal for Columbia through a variety of public forums over the past 10 years. Procuring consulting services from Michael Brown of Burlington Associates will assist the City in determining the feasibility of a land trust organization and solidify the City staff's ability to effectively implement a community land trust entity, if a "go" decision is made. Procuring these services will also ensure a viable plan for operations and the establishment of a corporate structure that most effectively serves the community.

Fiscal Impact

Short-Term Impact: \$4,000
Long-Term Impact: \$15,000



Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Health, Social Services & Affordable Housing, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
02/18/2008	The Affordable Housing Policy Committee Report completed and identified the need for a Housing Trust fund and organization.
10/5/2009	2010-2014 Consolidated Plan Approved, which included the goals of establishing a Housing Trust Fund and business plan for an administering organization.
8/17/2015	Council approved the purchase of 109, 111 and 113 Lynn for the development of Lynn Street Cottages.
9/21/2015	Council approved appropriating \$200,000 in FY 2014 General Fund Savings for the development of the Lynn Street Cottages.
12/4/2015	Final session of Affordable Housing Symposium concluded with final public input resulting in the formation of a housing trust as the highest priority for further affordable housing in Columbia.
12/7/2015	Council approved an amendment to the PUD for the development of Lynn Street Cottages.



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Suggested Council Action

Approve the resolution transferring funds from Council Reserves to the Community Development Department for the purposes of procuring land trust consulting services from Michael Brown of Burlington Associates.