



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: June 5, 2017

Re: Approving an Ordinance for the Execution of a Contract for Purchase of Property Located at 6 Fourth Street.

Executive Summary

Council approval of this ordinance will authorize the City Manager to execute a contract for purchase of property located at 6 Fourth Avenue. The property consists of a vacant and dilapidated structure on a 9,855 square foot lot. Rehabilitation of the structure was determined to be cost prohibitive. City staff plans to demolish the structure with CDBG funds and redevelop the site with HOME funding, upon obtaining proper approvals. Preliminary plans are to develop the lot with a single family residential structure included in the Community Land Trust, with energy efficiency and universal design.

Discussion

The Community Development Department Division of Neighborhood Services has been working with the 6 Fourth Ave property owner to resolve property maintenance concerns pertaining to the structure. The home has been vacant for several years and is not in livable condition.

City CDBG staff approached the owner with the option to purchase the site with Community Development Block Grant Funds (CDBG). City staff hired Moore and Shryock, LLC to appraise the property. The property without the structure was valued at \$19,000. Less the approximate cost of Demolition, Asbestos abatement, quiet title, appraisal and closing costs, City Staff offered \$6856.00. The attached contract includes an agreement to pay \$6856.00 to the Seller minus unpaid 2016 real estate property taxes taken from the balance due at closing. Estimated costs can be seen below.

Contract Sales Price	\$6856.00
2016 Real Estate Taxes	(\$548.64)
Owners title Policy	(\$175.00)
Settlement closing fee to title company	(\$150.00)
Balance due to Seller	\$5992.15

Fiscal Impact

Short-Term Impact: CDBG funds \$5992.00 to Acquire.

Long-Term Impact: HOME funds: Up to Approximately \$50,000 in HOME funds for redevelopment.



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
None.	

Suggested Council Action

Approve the attached ordinance authorizing the City Manager to execute a sales contract for purchase of 6 Fourth Avenue.