



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: October 19, 2020

Re: Community Housing Development Organizations (CHDO) Agreements for Cullimore Cottages

Executive Summary

City Council approved a resolution for approval of an amendment to the FY 2019 Annual Action Plan on April 6, 2020 that included funding allocations for Central Missouri Community Action (CMCA) and Job Point's Columbia Missouri Community Housing Development Organization (COMO CHDO). Approval of this resolution will authorize funding agreements to construct 3 permanently affordable, owner-occupied homes at the Cullimore Cottages development.

Discussion

HUD regulations require that the City of Columbia allocate at least 15% of its annual HOME funding allocation to Community Housing Development Organizations (CHDO). CHDOs are non-profit housing development organizations with the development of affordable housing as its primary purpose. CHDOs also must maintain a specific board structure with at least a 1/3 of its board representing the interests of low to moderate income populations and no more than 1/3 of its board being appointed by or having director positions being held by government officials. Further HUD guidance for defining CHDOs is described at 24 CFR Part 92.2

The City Council previously approved funding allocations for five homes to be completed by the Columbia Community Land Trust (CCLT), two homes to be constructed by COMO CHDO and one home to be constructed by CMCA. The three affordable, owner-occupied homes include 3 bedrooms and 2 bathrooms, as well as solar panels. COMO CHDO will be constructing 2 homes at 1,357 square feet with an estimated appraised value of \$142,000 per home. CMCA will be constructing one 3 bedroom and 2 bathroom home at 1,467 square feet with an appraised value of \$145,000. Both CHDO funding and a transfer of real estate is included within the funding agreements. The subsidy gap identified for the two COMO CHDO homes is \$83,020 per home. The subsidy gap identified for the one CMCA home is \$80,863. The attached resolution would authorize the approval of \$166,040 for COMO CHDO and \$80,863 for CMCA. Each of the three homes being constructed will have the structures sold to an income eligible buyer and the land will be donated to the CCLT to ensure the homes remain affordable and well maintained for subsequent buyers.

Fiscal Impact

Short-Term Impact: Allocates \$236,903 in previously approved CHDO funding.

Long-Term Impact: Enter the cost of proposed legislation to the city for years **beyond two**.



Strategic & Comprehensive Plan Impacts

Strategic Plan Impacts:

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

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities,

Legislative History

Date	Action
10/7/2014	City Council adopted the 2015-2019 CDBG and HOME Consolidated Plan and 2015 Annual Action Plan.
6/17/2019	Council approved the FY 2019 Annual Action Plan
4/6/2020	Council approved an amendment to the FY 2019 Annual Action Plan allocating CHDO funding to Job Point and CMCA

Suggested Council Action

Approve the resolution authorizing funds and land to Job Point's COMO CHDO and Central Missouri Community Action for the construction of permanently affordable homes.