



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: July 1, 2019

Re: Consider a Funding Agreement and Transfer of Real Estate to the Columbia Community Land Trust

Executive Summary

The Columbia Community Land Trust (CCLT) conducted a Request for Proposals for development of lots located at 6 Fourth Avenue and 19 Third Avenue currently in City ownership. The CCLT has received approval for development financing from two different local community banks necessary to complete the construction of the project. The attached agreement transfers land and funding to cover the affordability gap to serve households below 80% of the area median income (AMI).

Discussion

Approval of the agreement will transfer real estate and funds to the Columbia Community Land Trust in order to develop two affordable owner-occupied homes. The Columbia Community Land Trust has selected a winning bid from R. Anthony Development. Total construction costs within the bid for 19 Third Avenue are \$147,609 and total construction costs for 6 Fourth Avenue are \$139,850. Homeownership Assistance Neighborhood Development Program Guidelines (HOA ND) require that HOME funds go towards the affordability gap defined as "the difference between the CLT appraised value and the level of subsidy needed to obtain an 80% loan to value ratio and not to exceed \$50,000.

Project underwriting estimates the appraised values of the homes to be approximately \$130,000 and maintains estimated proceeds for the CCLT to be below 5% as outlined within the HOA ND program guidelines. R. Anthony Development's bid costs also include 10% development fee, which is within program guidelines. Project underwriting sheets including the developer's bids, plans and specifications and staff feasibility worksheet is included within the Council memo packet. In accordance with the guidelines, the agreement includes a subsidy amount of \$48,000 for 19 Third Avenue and \$50,000 for 6 Fourth Avenue.

Fiscal Impact

Short-Term Impact: Expenditure of \$98,000 in HOA ND program funding

Long-Term Impact:

Strategic & Comprehensive Plan Impacts

[Strategic Plan Impacts:](#)

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



City of Columbia

701 East Broadway, Columbia, Missouri 65201

[Comprehensive Plan Impacts:](#)

Primary Impact: Livable & Sustainable Communities,

Legislative History

Date	Action
None	None.

Suggested Council Action

Council motion to approve the funding agreement and transfer of real estate for the CCLT.