

Rehab Loan Forgiveness & Voluntary Columbia Community Land Trust Transfer Program

Program Goals and Objectives

The purpose of this proposed program is to provide a financial incentive to previous Owner-Occupied Rehabilitation Program participants in exchange for the ability to permanently protect the City's investment in affordable housing. This program will also assist in ensuring affordable homeownership opportunities in the central city area and preserving the character of neighborhoods surrounding the downtown area. This voluntary program would offer \$15,000 in loan forgiveness to previous Owner-Occupied Rehabilitation Program participants maintaining a City loan balance of \$15,000 or greater. In exchange for the City loan balance of \$15,000 being forgiven, the seller would be limited to a sales price equal to 95% of the market appraised value to a CCLT income qualified buyer (80% or below AMI).

Assistance Amount and Program Requirements

1. This program applies to all past rehab and repair program participants with lien amounts of \$15,000 or greater.
2. Program participants willing to donate the land beneath their home to the Columbia Community Land Trust upon sale of the home to a new income qualified CCLT buyer (80% or below AMI) will have \$15,000 of their current Owner-Occupied Rehabilitation Loan fully forgiven upon transfer of the land.
3. Participants must sign a purchase option that allows the CCLT 60 days to arrange for the resale of the participant's home to a qualified buyer. Upon 60 days, the participant may extend the purchase option or sell the home on the open market.
4. The participant's sale's price shall be 95% of the appraised fee simple market value of the home and land.

Eligibility

1. The applicant household must be the household that previously participated in the City's Owner-Occupied Housing Rehabilitation Program, or previously received City approval transfer of property and City lien.
2. The property must be located within the City Limits.
3. The property must be owner-occupied and have clear title. Properties held by a life estate are ineligible. The property owner must have hazard insurance on the property in a sufficient amount to cover existing liens. If the property is owned by more than one individual, all owners must sign required legal documents relating to the transfer of land including at sale, but not limited to, the deed of trust, purchase option contract, even if they do not reside in the property.
4. The property shall contain no active/open violations to the City property maintenance standards, and/or rehabilitation standards upon the execution of program sales contract and

ground lease in order to qualify. Any excessive repairs required prior to closing may be deducted from the seller's proceeds of up to \$15,000.

5. Program participant shall receive certification from an Attorney licensed within the state of Missouri that certifies the program participant understands the legal requirements of the transaction and implications of the purchase option agreement.