023055

Permanent Record
Filed in Clerk's Office

Introduced by Treece

First Reading 12-19-16 Second Reading 1-3-17

Ordinance No. 023055 Council Bill No. B 350-16

AN ORDINANCE

authorizing an agreement for transfer of real estate, establishment of funding account and provision for administrative services with Columbia Community Land Trust, Inc.; and fixing the time when this ordinance shall become effective.

WHEREAS, the City Council previously approved the establishment of a community land trust (CLT) organization and staff has since filed Articles of Incorporation with the Missouri Secretary of State for Columbia Community Land Trust, Inc.; and

WHEREAS, the purchase of the Lynn Street Cottages properties located at 109, 111 and 113 Lynn Street was approved by Council on August 17, 2015; and

WHEREAS, the Lynn Street Cottages project will be the first homes completed under Columbia Community Land Trust, Inc.; and

WHEREAS, the City budgeted $200,000.00 for the development of four (4) energy efficient and universally designed homes to be completed and serve as a model for developing new construction CLT homes under the new CLT organization; and

WHEREAS, the City budgeted $40,000.00 for the installation of solar panels on the four (4) energy efficient and universally designed homes to be completed and serve as a model for developing new construction CLT homes under the new CLT organization; and

WHEREAS, the CLT Steering Committee recommendations included City staff providing administrative services to the newly formed CLT organization; and

WHEREAS, the City Council finds the establishment and maintenance of affordable housing provides a public benefit; and

WHEREAS, the City Council further finds financial and technical assistance in the formation and operation of a community land trust as provided in "Attachment A" serves a public purpose and in in the best interest of the citizens of Columbia.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute an agreement for transfer of real estate, establishment of funding account and provision for administrative services with Columbia Community Land Trust, Inc. The form and content of the agreement shall be substantially in the same form as set forth in "Attachment A" attached hereto.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this 3rd day of January, 2017.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

AGREEMENT
FOR
TRANSFER OF REAL ESTATE
ESTABLISHMENT OF FUNDING ACCOUNT
AND
PROVISION FOR ADMINISTRATIVE SERVICES

This Agreement for the transfer of real estate, establishment of funding account, and provision for administration services ("Agreement") is made and entered into by and between the City of Columbia, Missouri, a municipal corporation (hereinafter "City") and Columbia Community Land Trust, Inc., a Missouri non-profit corporation (hereinafter "Land Trust").

WHEREAS, City is committed to developing permanently affordable housing and expanding opportunity for home ownership; and

WHEREAS, City faces a number of housing challenges including affordability for low to moderate income residents; and

WHEREAS, as identified in the 2008 Affordable Housing Policy Task Force Report, City has explored the community land trust model of ownership as a means to permanently control the resale price of subsidized houses and thus preventing loss of the affordability of these homes; and

WHEREAS, the community land trust model allows low to moderate income individuals and families to build equity, while maximizing benefits for housing assistance, and protecting affordability for future residents; and

WHEREAS, Land Trust has been created as a non-profit corporation for the specific purposes set forth in their Articles of Incorporation:

> "...to provide opportunities for lower to moderate income people to secure housing that is decent and affordable and controlled by the residents on a long term basis; to preserve the quality and affordability of housing for the future low to moderate income residents; to combat community deterioration in economically disadvantaged neighborhoods by making land available for projects and activities, including buying, selling, leasing, mortgaging and managing real estate, that improve the quality of life and assisting residents in improving the safety and wellbeing of their

community and to protect and promote the ecologically sound use of land and resources for the long term health and safety of the community."

and

WHEREAS, Land Trust, familiar with the goals and desires of City, promises to faithfully carry out and promote City's goals and needs in its home stewardship programs.

NOW, THEREFORE, in consideration of the foregoing recitals, covenants and promises, and for other good and valuable consideration the sufficiency of which is hereby acknowledged, City and Land Trust agree as follows:

LAND

1. City owns unimproved real estate described as follows:

Lot One (1) of Lynn Street Subdivision Plat Two (2) in the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 45, Page 2, Records of Boone County, Missouri. Said Lot also being a part of the survey recorded in Book 4074, Page 164, Records of Boone County, Missouri.

Lot Two (2) of Lynn Street Subdivision Plat Two (2) in the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 45, Page 2, Records of Boone County, Missouri. Said Lot also being a part of the survey recorded in Book 4074, Page 164, Records of Boone County, Missouri.

Lot Three (3) of Lynn Street Subdivision Plat Two (2) in the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 45, Page 2, Records of Boone County, Missouri. Said Lot also being a part of the survey recorded in Book 4074, Page 164, Records of Boone County, Missouri.

designated P.U.D. Plan "Lynn Street Cottages."

2. City shall transfer ownership in the real estate to Land Trust in trust for the construction of four (4) single family housing units in accordance with the P.U.D. Plan "Lynn Street Cottages" approved by ordinance December 7, 2015, pursuant to the specifications as set forth on "Exhibit A" attached hereto, and subject to the Land Trust stewardship policies and procedures for administering a portfolio of resale restricted owner-occupied homes within the low to moderate income

requirements and further subject to the Housing and Urban Development sales and objectives set forth in Section 24 C.F.R. Housing and Urban Development and the Fair Housing Act.

3. Land Trust shall place all necessary restrictive covenants on said properties at the time of sale to an income qualified buyer consistent with preserving housing affordability, promoting housing quality, protecting housing security, and calculate formula driven resale pricing to allow a seller to appreciate equity while also maintaining an affordable resale price to the next qualified buyer.

4. Land Trust shall secure such additional financing necessary for the construction of the four (4) homes over and above the amount committed by City under this Agreement, and sufficient financing must be demonstrated to City before drawing on City funds provided for in paragraph 6 of this Agreement

5. Land Trust shall immediately notify City of any foreclosure or default, legal action taken or threatened, against any Land Trust property.

FUNDING

6. City agrees to provide Land Trust up to Two Hundred Thousand Dollars ($200,000.00) in funding for the purpose of developing the lots with four (4) single family owner-occupied housing units as specified on the plans set forth on "Exhibit A" attached hereto, and providing homeowner assistance to a low to moderate income household purchasing said property subject to all restrictions and limitations established by Land Trust to comply with the purposes and goals of the land trust program.

7. City shall also provide up to Forty Thousand Dollars ($40,000.00) of CDBG funds in funding for solar panels on each of the four (4) homes in accordance with specifications to be provided to contractor. This amount is in addition to the funds provided for in paragraph 6.

8. City shall also deposit Ten Thousand Dollars ($10,000.00) per home, for a total of Forty Thousand Dollars ($40,000.00) of CDBG funds, from the GRRENT account for the sole purpose of providing interim interest payments to construction lender bank between construction completion date and closing on the sale of each house. This amount is in addition to the funds provided for in paragraphs 6 and 7. As each home is sold, the remaining unused portion of the Ten Thousand Dollars ($10,000.00) shall be released back to City.

9. The funds provided by City are subject to the rules and regulations of 24 C.F.R. et seq. and the requirements of the Fair Housing Act.

10. Payments may be made to Land Trust as progress payments or upon completion of each home in City's sole discretion. Each payment request shall be supported by invoices. No payment shall be made until City has completed an inspection to verify successful and satisfactory completion of the work.

11. Land Trust may use up to Ten Thousand Dollars ($10,000.00) of the funds for its first year set up and operating costs. Such expenditures shall also be supported by invoices. After the first year, Land Trust shall not expend over ten percent (10%) of the net income from sale of Land Trust properties for operating costs on an annual basis.

12. Land Trust shall satisfactorily demonstrate to City that Land Trust has effective management control of the development as it progresses.

13. Land Trust shall provide all information needed for compliance monitoring purposes by City and the U.S. Department of Housing and Urban Development. Land Trust shall permit City to inspect all housing to ensure compliance with required property standards.

14. Upon the sale of each property, Land Trust shall provide a copy of the closing statement and such additional information and data as requested by City to assess and evaluate the demographics of the participants in the program.

15. Land Trust shall retain all records pertinent to the land trust program and make same available for inspection to City upon request.

16. In the event Land Trust ceases to exist for any reason or if Land Trust loses its non-profit status, Land Trust shall transfer to City any Land Trust funds on hand, any account receivables, and any real estate then owned by Land Trust.

17. The use of funds must meet the safe harbor requirement for a non-profit land trust corporation as defined by the IRS.

18. City may in City's discretion require an audit of the land trust program by an auditor selected by City. Land Trust shall prepare and deliver to City annual reports of its activities and financial condition.

ADMINISTRATIVE SERVICES

19. City agrees to provide certain administrative support services to assist Land Trust in implementing the land trust model program, as set forth below.

20. There shall be no charge to Land Trust for such administrative services for a period of three (3) years from the date of this Agreement.

21. City in its sole discretion shall designate the personnel and the specific times that such service shall be provided and the total hours per week. City's regular business requirements shall take precedence over the service to be provided in this Agreement.

22. Services shall include, but not be limited to: supervision of daily operations, determining eligibility of program participants, homebuyer orientation, stewardship of the properties in the program, marketing of organization and program to the community, education of local banks, lenders, realtors and appraisers about the land trust model and operations, and providing staff support to monthly Land Trust Board meetings.

23. Either party may terminate this Agreement upon thirty (30) days written notice to the other party.

24. This Agreement shall be governed by the laws of the State of Missouri and venue for any litigation arising out of this Agreement shall be in Boone County Circuit Court or the Western District Federal Court.

25. This Agreement is non assignable by Land Trust without City's express prior written consent.

26. In no event shall the language or provisions of this agreement constitute or be construed as a waiver or limitation for either party's rights or defenses with regard to each party's applicable sovereign governmental or official immunities and protections as provided by federal or state constitution or laws.

27. To the fullest extent not prohibited by law and without waiver or limitation for either party's rights or defenses with regard to applicable sovereign, governmental as official immunities provided by law each party shall indemnify and hold harmless the other, its directors, officers, agents and employees from

and against all claims, damages, losses, liability and expenses in connection with any responsibilities improvements and services in this Agreement.

28. The term of this Agreement is five (5) years beginning as of the date signed by all signatories, unless terminated sooner by either party except for the provisions of 14, 15, 16 and 17 which shall terminate at three (3) years from date of this Agreement. This Agreement shall automatically renew for two (2) additional five (5) year terms unless either party elects to terminate this Agreement prior to renewal. City shall not be obligated to perform sections 14, 15, 16 and 17 after the first three (3) years nor in any renewal period.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized representatives as of the dates written below.

CITY OF COLUMBIA, MISSOURI

By: _____
Mike Matthes, City Manager

Date: 1-6-17

ATTEST:

By: _____
Sheela Amin, City Clerk

APPROVED AS TO FORM:

By: _____
Nancy Thompson, City Counselor

CERTIFICATION: I hereby certify that this contract is within the purpose of the appropriation to which it is to be charged, Account No. 1100401C-504990 FINANCE-ESCROW and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefor. 2460430-504990-CDBG COMMDEV-647170
2460430-504990-RENT

By: _____
Michele Nix, Director of Finance JN

COLUMBIA COMMUNITY LAND TRUST, INC.

By: _____

Printed Name: Paul Prevo

Date: 1-10-17

ATTEST:

By: Kathy E. Sides