



Department Source: Housing & Neighborhood Services

To: City Council

From: City Manager & Staff

Council Meeting Date: October 21, 2024

Re: Authorizing a third amendment to the American Rescue Plan Act Allocation Agreement with the Columbia Community Land Trust, Inc.

Executive Summary

A resolution authorizing a third amendment to the American Rescue Plan Act (ARPA) Allocation Agreement with the Columbia Community Land Trust, Inc (CCLT). The amendment will amend the conditions precedent for the commitment of ARPA funding; amend the process for the CCLT to receive payment of ARPA funds for the purchase of property; and authorize the CCLT ARPA funding to be expended for a cooperative affordable housing development with a Community Housing Development Organization (CHDO).

Discussion

On October 2, 2023, the City of Columbia awarded \$1,000,000 of ARPA funds to the CCLT to acquire land and develop affordable housing using the CCLT's land trust model (home ownership with a long-term land lease). Under the allocation agreement, the funds may be used by the CCLT for purchasing vacant land and constructing affordable housing on said properties; purchasing vacant homes for use as affordable housing; purchasing vacant homes and any renovation costs and energy efficiency improvements for use as affordable housing; and/or purchasing property containing vacant, dilapidated structure(s) and demolishing the structure(s), and building new affordable housing on the land. Pursuant to the allocation agreement as written, the CCLT would be required to enter into a funding agreement with the City for each project it desired to use ARPA funding for, and would be reimbursed with ARPA funding upon providing paid invoices to the City for eligible expenses.

As the CCLT has developed projects and strategies for expending the ARPA funding, alternative methods for expenditure than those originally contemplated in the allocation agreement have emerged.

On August 4, 2024, the City Council approved a second amendment to the allocation agreement that extended the term of the agreement consistent with the ARPA deadline and authorized an additional mechanism for expending the ARPA funding (the eligible uses would remain the same). Under the alternate expenditure mechanism, the City, in cooperation with the CCLT, could use the APRA funding to procure the construction of housing on City-owned property and upon completion of construction, would donate the property to the CCLT for the agency's long-term maintenance and preservation of the housing affordability. This expenditure method is referred to in the amendment as "Cooperative Affordable Housing Development." This mechanism is approved by the CCLT on a project-by-project basis and so far, has been approved for two projects that entail the



City of Columbia

701 East Broadway, Columbia, Missouri 65201

construction of three affordable homes. Two of those homes will be built on the remaining two lots at the N. 8th Street Cullimore Cottages site. The third home will be built on a vacant lot owned by the City at 6 Fourth Ave.

This third amendment to the allocation agreement will authorize the CCLT to also expend the ARPA funding for a cooperative housing development with a Community Housing Development Organization (CHDO). This funding mechanism will include the CCLT using \$50,000 of its ARPA funding to assist Job Point in the construction of a CHDO build at 903 N. Garth Ave in exchange for the property being transferred to the CCLT upon completion of the build for the CCLT to maintain the long-term affordability of the home.

This third amendment will also amend the payment provisions in the Allocation Agreement to authorize the City to provide ARPA funding for the CCLT's purchase of property at closing (as opposed to within 10 days of receiving a funding agreement, deed of trust and promissory note).

Finally, the original Allocation Agreement stated the City's obligations (for funding) under the Allocation Agreement are contingent on certain conditions precedent occurring prior to December 1, 2024. This Amendment removes the conditions precedent. The amendment retains the requirements that the agency enter into a funding agreement, deed of trust and promissory note for each property the Agency purchases for Agency's Affordable Housing Projects (as compared to the Cooperative Affordable Housing Development Projects). By removing the conditions precedent language from the allocation agreement, the allocation agreement will now obligate the \$1 million in ARPA funding to the CCLT for purposes of the U.S. Department of Treasury's December 31, 2024 obligation deadline for all ARPA funds.

Fiscal Impact

Short-Term Impact:

Long-Term Impact:

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Inclusive and Equitable Community, Secondary Impact: Resilient Economy, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Land Use & Growth Management, Secondary Impact: Environmental Management, Tertiary Impact: Tertiary



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Legislative History

Date	Action
08/05/2024	The City Council passed resolution R138-24 authorizing a second amendment to the allocation agreement with the CCLT.
05/06/2024	The City Council passed resolution R97-24 authorizing a first amendment to the allocation agreement with CCLT.
03/04/2024	The City Council passed resolution R53-24 authorizing an allocation agreement with CCLT for the issuance of ARPA funds for affordable housing purposes; approving and authorizing the execution of certain documents; authorizing the City Clerk to record deeds of trust.
10/02/2023	The City Council passed resolution R 154-23 which announced its intent to allocate one million dollars to the CCLT for the Agency to acquire land and develop affordable housing utilizing Agency's land trust model. This allocation is subject to all federal, state, and local laws, rules, regulations and guidance that regulate the use of ARPA funds for said purposes
03/21/2021	The American Rescue Plan Act (ARPA) was signed into law and established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund to provide support to state, territorial, local and Tribal governments in responding to the economic and public health impacts of COVID-19 and its impacts on their communities, residents and businesses

Suggested Council Action

Approval of the resolution