

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 58-13

AN ORDINANCE

authorizing a HOME program operating agreement with the Columbia Housing Authority for the transfer of title to property located at 411 McBaine Avenue; authorizing a neighborhood stabilization program operating agreement with the Columbia Housing Authority for the transfer of title to properties located at 904 Madison Street and 711 Mikel Street; and fixing the time when this ordinance shall become effective.

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

SECTION 1. The City Manager is hereby authorized to execute a HOME program operating agreement with the Columbia Housing Authority for the transfer of title to property located at 411 McBaine Avenue. The form and content of the agreement shall be substantially as set forth in "Attachment A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

SECTION 2. The City Manager is hereby authorized to execute a Neighborhood Stabilization Program (NSP) operating agreement with the Columbia Housing Authority for the transfer of title to property located at 904 Madison Street and 711 Mikel Street. The form and content of the agreement shall be substantially as set forth in "Attachment B" attached hereto and made a part hereof as fully as if set forth herein verbatim.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2013.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

**Attachment A: HOME PROGRAM OPERATING AGREEMENT
TRANSFER OF TITLE, 411 MCBAIN**

THIS AGREEMENT, made and entered into this _____ day of _____, 2013, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter, "City"), Columbia Housing Authority a municipal corporation of the State of Missouri, hereinafter called "CHA or Agency".

WITNESSETH:

WHEREAS, the City receives HOME funds from the Department of Housing and Urban Development (HUD) for the purpose of retaining and adding to the supply of affordable housing in the community, and

WHEREAS, the City will be transferring title of 411 McBaine, legally described as: Lot 226 of the Smithton Addition to the City of Columbia Boone County, Missouri, to CHA in order to maintain this property as an affordable housing unit.

NOW, THEREFORE, the City and the Agency agree as follows:

1. Eligible Activities

The City shall transfer title of 411 McBaine for the purpose maintaining the property as an affordable rental or owner occupied housing unit. The Agency agrees that as a condition of receiving this property; it will (a) maintain the property in a manner that is consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254.

2. Program Income and Sales Proceeds

CHA shall maintain an accounting system to account for HOME Program Income and operational expenses associated with the property. Income received from rent payments shall be defined as rent payments less property management expenses including: staffing, maintenance, capital expenditures, and reserve accounts. CHA shall retain a separate HOME Program Income account for the development of affordable housing consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254.

Upon sale of the property, CHA shall retain 50% of the sales proceeds and must retain these funds in the separate HOME Program Income account for the development of affordable housing development consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254. 50% of the sales proceeds shall be returned to the City as HOME Program Income.

3. Homebuyer Requirements

The Agency shall be responsible for the sale of the property to a tenant that meets current HOME Program requirements for a household with not greater than 80% of the Median Family Income as defined by HUD for the HOME Program. Homebuyers shall have completed not less than 8 hours of Homebuyer Counseling.

4. Rental Requirements

The Agency shall be responsible for the rental of the property to a tenant that meets current HOME Program requirements for a household with not greater than 60% of the Median Family Income as defined by HUD for the HOME Program. The Agency is required to maintain the property to a standard that meets the most current City Property Maintenance Code.

5. City Recognition: CHA shall ensure recognition of the role of the City HOME funds assisting in the development of this project, including reference to the support provided herein in all publications made possible with funds available under this Agreement; and signage located at the construction site.

6. Applicable Federal Regulations:

- a) The Agency agrees to comply with all applicable provisions of the Americans with Disabilities Act and the regulations implementing the Act, including those regulations governing employment practices. The Owner agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Uniform Federal Accessibility Standards, and applicable building codes for the City of Columbia.
- b) The Agency agrees to comply with Chapter 643 RSMO of the Missouri Air Conservation Law and State Asbestos Regulation 10 CSR 10-6.080, and all other related applicable Federal and State regulations.
- c) The Agency agrees to comply with the following laws governing fair housing and equal opportunity including: Title VI of the Civil Rights Act of 1964 and Executive Order 11063, the Fair Housing Act with implementing regulations at 24 CFR part 100-115, the Age Discrimination Act of 1975 with implementing regulations at 24 CFR Part 146, and Section 109 of the Housing and Community Development Act of 1974.
- d) The Agency agrees to comply with the following laws and regulations regarding equal opportunity in employment and contracting: Executive Order 11246 with implementing regulations at 41 CFR Part 60, Section 3 of the Housing and Urban Development Act of 1968 regarding employment by lower income local residents, and Executive Orders 11625, 12432, and 12138 regarding outreach to minority and female owned businesses.
- e) In accordance with the provisions of 24 CFR 85, the Owner agrees that the City may suspend or terminate this Agreement should the Agency materially fail to comply with any of the terms of this Agreement and that the award may be terminated for convenience in accordance with 24 CFR Part 85.44.
- f) Upon finding that the Agency materially fails to comply with any term of this Agreement, the 411 McBaine property and any HOME program income on hand at the time of such funding shall be transferred to the City of Columbia and future HOME funding may be denied.
- i) The Agency shall comply with the conflict of interest provisions of HUD regulations at 24 CFR Part 92.356, which governs the procurement of supplies and contracts and the provision of services to clients with the use of HOME funds. The provisions cover services provided for, or by, persons who are employees, agents, or elected officials of the City of Columbia.
- j) The Agency agrees to not use debarred, suspended or ineligible contractors as defined by 24 CFR Part 92.350 (a).
- k) The Agency agrees to provide a copy of its annual financial audit to the City, which covers the use of HOME funds expended under this agreement.

11. Records and Reports

- a) The Agency shall provide all information needed for compliance monitoring purposes by the City and the U.S. Department of Housing and Urban Development. The Agency shall permit City to inspect the property on a yearly basis as a part of its annual rental compliance monitoring.
- b) The Agency shall retain all records pertinent to the HOME program and shall allow access to such records upon request and during monitoring visits.
- c) The Agency shall maintain data demonstrating rental occupant and home buyer eligibility. Such data shall include, but not be limited to, name, address, income level or other basis for determining eligibility, gender, race and size of household.

13. Notice to Transferees

If the Agency or a successor sells, transfers, exchanges or encumbers the Property at any time after the initial date of HOME Program expenditures on the property described in this Agreement, the Agency or the successor shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Property or any interest therein that such acquisition is subject to the requirements of this Agreement. The Agency agrees that the City may void any sale, transfer, exchange or encumbrance of the Property if the buyer or successor or other person fails to assume in writing the requirements of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

CITY OF COLUMBIA, MISSOURI

BY: _____

Mike Matthes, City Manager

ATTEST:

Sheela Amin, City Clerk

APPROVED AS TO FORM:

Cavanaugh Noce, City Counselor

Columbia Housing Authority

By: Phil Steinhaus _____

Title: CEO _____

**Attachment B: NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
OPERATING AGREEMENT
TRANSFER OF TITLE, 904 MADISON AND 711 MIKEL**

THIS AGREEMENT, made and entered into this _____ day of _____, 2013, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter, "City"), Columbia Housing Authority a municipal corporation of the State of Missouri, hereinafter called "CHA or Agency".

WITNESSETH:

WHEREAS, the City received Neighborhood Stabilization Program (NSP) funds from the Department of Housing and Urban Development (HUD) for the purpose of retaining and adding to the supply of affordable housing in the community, and

WHEREAS, the City will be transferring title properties to the Columbia Housing Authority (CHA) in order to maintain these properties as affordable housing units legally described as:

Lot five (5) OF LEWIS SUBDIVISION in the City of Columbia, Boone County Missouri, as shown by the plat thereof recorded in plat book 7, page 69, records of Boone County Missouri.

Lot five (5) of SEXTON PLACE as shown on plat of said subdivision, recorded in plat book 3 page 43, and further shown by the Survey recorded in Book 3722, Page 43, Records of Boone County, Missouri.

(hereinafter referred to as the "Property"); and

NOW, THEREFORE, the City and the Agency agree as follows:

1. Eligible Activities

The City shall transfer title of 904 Madison for the purpose maintaining the property as an affordable rental or owner occupied housing unit. The Agency agrees that as a condition of receiving this property; it will (a) maintain the property in a manner that is consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254.

2. Program Income and Sales Proceeds

CHA shall maintain an accounting system to account for NSP Income and operational expenses associated with the properties. Income received from rent payments shall be defined as rent payments less property management expenses including: staffing, maintenance, capital expenditures, and reserve accounts. CHA shall retain a separate NSP Program Income account for the development of affordable housing consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254.

Upon sale of the property, CHA shall retain 50% of the sales proceeds and must retain these funds in the separate NSP Program Income account for the development of affordable housing development consistent with the requirements outlined by the Department of Housing and Urban Development at 24 CFR 92.252 (a), (c), (e) and (f) and with the requirements of 24 CFR 92.254. 50% of the sales proceeds shall be returned to the City as NSP Program Income.

3. Homebuyer Requirements

The Agency shall be responsible for the sale of either property to a tenant that meets current NSP Program requirements for a household with not greater than 120% of the Median Family Income as defined by HUD for the NSP Program. Homebuyers shall have completed not less than 8 hours of

Homebuyer Counseling.

4. Rental Requirements

The Agency shall be responsible for the rental of the property to a tenant that meets current NSP Program requirements for a household with not greater than 50% of the Median Family Income as defined by HUD. The Agency is required to maintain the property to a standard that meets the most current City Property Maintenance Code.

5. City Recognition: CHA shall ensure recognition of the role of the City NSP funds assisting in the development of this project, including reference to the support provided herein in all publications made possible with funds available under this Agreement; and signage located at the construction site.

6. Applicable Federal Regulations:

a) The Agency agrees to comply with all applicable provisions of the Americans with Disabilities Act and the regulations implementing the Act, including those regulations governing employment practices. The Owner agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Uniform Federal Accessibility Standards, and applicable building codes for the City of Columbia.

b) The Agency agrees to comply with Chapter 643 RSMO of the Missouri Air Conservation Law and State Asbestos Regulation 10 CSR 10-6.080, and all other related applicable Federal and State regulations.

c) The Agency agrees to comply with the following laws governing fair housing and equal opportunity including: Title VI of the Civil Rights Act of 1964 and Executive Order 11063, the Fair Housing Act with implementing regulations at 24 CFR part 100-115, the Age Discrimination Act of 1975 with implementing regulations at 24 CFR Part 146, and Section 109 of the Housing and Community Development Act of 1974.

d) The Agency agrees to comply with the following laws and regulations regarding equal opportunity in employment and contracting: Executive Order 11246 with implementing regulations at 41 CFR Part 60, Section 3 of the Housing and Urban Development Act of 1968 regarding employment by lower income local residents, and Executive Orders 11625, 12432, and 12138 regarding outreach to minority and female owned businesses.

e) In accordance with the provisions of 24 CFR 85, the Owner agrees that the City may suspend or terminate this Agreement should the Agency materially fail to comply with any of the terms of this Agreement and that the award may be terminated for convenience in accordance with 24 CFR Part 85.44.

f) Upon finding that the Agency materially fails to comply with any term of this Agreement, the properties and any NSP program income on hand at the time of such funding shall be transferred to the City of Columbia and future NSP funding may be denied.

g) The Agency shall comply with the conflict of interest provisions of HUD regulations at 24 CFR Part 92.356, which governs the procurement of supplies and contracts and the provision of services to clients. The provisions cover services provided for, or by, persons who are employees, agents, or elected officials of the City of Columbia.

h) The Agency agrees to not use debarred, suspended or ineligible contractors as defined by 24 CFR Part 92.350 (a).

i) The Agency agrees to provide a copy of its annual financial audit to the City.

11. Records and Reports

a) The Agency shall provide all information needed for compliance monitoring purposes by the City and the U.S. Department of Housing and Urban Development. The Agency shall permit City to inspect the property on a yearly basis as a part of its annual rental compliance monitoring.

b) The Agency shall retain all records pertinent to the NSP program and shall allow access to such records upon request and during monitoring visits.

c) The Agency shall maintain data demonstrating rental occupant and home buyer eligibility. Such data shall include, but not be limited to, name, address, income level or other basis for determining eligibility, gender, race and size of household.

13. Notice to Transferees

If the Agency or a successor sells, transfers, exchanges or encumbers the Property at any time after the initial date of NSP Program expenditures on the property described in this Agreement, the Agency or the successor shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Property or any interest therein that such acquisition is subject to the requirements of this Agreement. The Agency agrees that the City may void any sale, transfer, exchange or encumbrance of the Property if the buyer or successor or other person fails to assume in writing the requirements of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

CITY OF COLUMBIA, MISSOURI

BY: _____
Mike Matthes, City Manager

ATTEST:

Sheela Amin, City Clerk

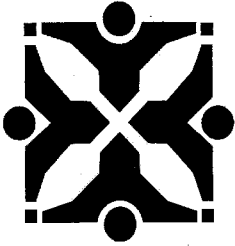
APPROVED AS TO FORM:

Columbia Housing Authority

Cavanaugh Noce, City Counselor

By: Phil Steinhaus _____

Title: CEO _____



Source: Community Development - CDBG/Home

Agenda Item No:

To: **City Council**

From: **City Manager and Staff**

Council Meeting Date: Mar 4, 2013

Re: Donation of 411 McBaine, 904 Madison, and 711 Mikel to the Columbia Housing Authority

EXECUTIVE SUMMARY:

The proposed ordinance authorizes the City Manager to donate 411 McBaine, 904 Madison and 711 Mikel to the Columbia Housing Authority. Each of these properties are currently unoccupied and HUD has directed the City ensure these homes are occupied. The properties were initially developed for home ownership activities, however a downturn in the housing market has made it difficult to find HOME and Neighborhood Stabilization Program (NSP) eligible buyers. Staff is proposing that the City donate these properties to the Columbia Housing Authority to ensure compliance with HUD regulations, and to provide affordable rental properties to eligible renters.

DISCUSSION:

The proposed ordinance would authorize the City Manager to donate 411 McBaine, 904 Madison, and 711 Mikel to the Columbia Housing Authority. The properties would be operated as rental with the potential to sell to program eligible buyers. If the CHA sold the properties, the proposed operating agreements between CHA and the City will require 50% of the sales proceeds to be returned to the City for further HOME NSP eligible activities, depending on the development's funding source. Any funds retained by CHA must go towards HOME or NSP eligible affordable housing activities, depending on the development's funding source.

Staff has proposed a real estate agreement with Job Point for the purchase of 411 McBaine in a separate Council resolution. 411 McBaine is a new home developed by Job Point with the assistance of \$50,000 in City HOME CHDO funds. Job Point has received several offers, however has been unable to sell the property, and maintains a construction loan on the property. HUD regulations require that housing developed for home buyers be sold to a qualified buyer within one year of completing the construction. The property has been on the market for over one year, and HUD has directed the City of Columbia to convert this activity from a home buyer activity, to a rental activity.

The Missouri Department of Economic Development has communicated to the City of Columbia to also explore converting NSP properties to rental in order to have them occupied in a timely manner. The City has had several offers on 904 Madison, however potential buyers have experienced difficulty obtaining financing and it has been on the market for over one year. Staff anticipates similar challenges in selling 711 Mikel and is seeking Council approval to also donate 711 Mikel and 904 Madison to CHA. The NSP properties would be operated as a rental property under NSP guidelines, with the potential to sell the property to an NSP eligible buyer. Operating agreements between CHA and the City of Columbia for each of the properties are included in this packet (Attachments A, and B).

FISCAL IMPACT:

No fiscal impact from donating the properties. The City will realize 50% of the sales proceeds, if the properties are sold by the Columbia Housing Authority.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

11.1

SUGGESTED COUNCIL ACTIONS:

Approve the attached ordinance authorizing the City Manager to donate 411 McBaine, 904 Madison, and 711 Mikel to the Columbia Housing Authority through the attached operating agreements (Attachments A and B).

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	Yes
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	11.1
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	