



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: February 1, 2016

Re: Transferring Council Reserves to the Community Development Department to Procure a Community Land Trust Consultant

Executive Summary

Approval of the attached resolution will transfer funds from the Council Reserve account to the Community Development Department for the purpose of procuring a Community Land Trust Consultant.

Discussion

This memo responds to a Council request to transfer funding from Council reserves to the Community Development Department to procure consulting services to assist with the planning and development of a community land trust organization (also referred to here as "land trust").

The City Council approved the purchase of land located on Lynn Street for the purpose of developing affordable housing under the land trust model. \$200,000 in FY 2014 General Fund Savings also was appropriated within the FY 2016 City Budget for the purpose of developing four energy efficient and universally designed affordable homes on Lynn Street. Council also recently approved an amendment to the PUD for the Lynn Street Cottages development. City staff intends for the Lynn Street Cottages development to be the first community land trust development in Columbia. It is intended that organizational planning and formation of the land trust entity will coincide with the development of the 4 homes. City staff anticipates completion of construction and formation of the land trust entity by early 2017.

The land trust model allows for long-term affordability where the structure is sold to a qualified buyer, while the land trust entity maintains ownership of the land. This model is a proven method for ensuring long-term affordability and property maintenance in homes where public funds are invested. Creating affordable housing under this method also greatly reduces the sales price to qualified buyers by removing the cost of the land. There are approximately 10,000 land trust housing units nationwide.

Community Development Department staff has toured other land trust entity organizations and operations located in Lawrence, KS and Lexington, KY. Staff also attended the National Community Land Trust Conference this past October and gained additional information from a variety of land trust entities across the nation. Several land trust entities recommended procuring additional assistance during the planning phase, due to the complexity of the organizational function and importance of the organizational structure. City staff spoke with several additional land trust entities and found that many land trust organizations focused more attention to the development of homes, rather than their organizational structure,



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resulting in the need to retroactively amend by-laws and operational plans to ensure their corresponding communities are best served by the function and corporate structure of their land trust.

City staff has had continued contact and gained additional information from Michael Brown of Burlington and Associates, regarding professional services. A contract for Phase I and scope of services for both Phase I and II is included with this packet. Phase I pertains to feasibility and organizational structure planning, while Phase II includes the development of a strategic plan and a plan for operations. City staff requested Michael Brown provide a contract for Phase I to allow a "go" or "no-go" decision to be made prior to proceeding with final implementation and planning efforts under Phase II. If a "no-go" decision is made, the City can sell the 4 homes on Lynn similar to previously developed affordable housing throughout Columbia. If a "go" decision is made, the City can then procure Michael Brown's Phase II services and complete implementation of the land trust entity.

City staff has spoken with several other entities that have procured Michael Brown's services. Michael Brown has provided consulting services to the following cities, municipalities and state agencies for similar services:

Public sector clients that developed community land trusts as a result of Michael's Assistance:

City of Chicago, Illinois
City and Borough of Sitka, Alaska
St. Tammany Parish, Louisiana
City of Highland Park, Illinois
Sarasota County, Florida
Pima County and City of Tucson, Arizona
Washington County Housing and Redevelopment Authority, Woodbury, Minnesota
Michigan State Housing Development Agency, Lansing, Michigan
City of Austin, Texas
City of Las Vegas, Nevada
Lee County, Florida
Nevada Rural Housing Authority, Reno, Nevada
City of Asheville, North Carolina

Other communities in which Michael is currently working or has worked in the last year:

Atlanta, GA
Baltimore, MD
New York, NY
Cleveland, OH
Flagstaff, AZ
Lexington, KY
Pittsburgh, PA
Jackson, MS
East Harlem, NY



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New Orleans, LA
Minot, ND
Long Island, NY
San Bernardino, CA
Palm Beach County, FL
Broward County, FL
Pinellas County, FL
State of Wyoming
Duluth, MN

The formation of a community land trust or housing trust fund has been identified as an important affordable housing goal in several community forums over the past 10 years in Columbia. The creation of a Housing Trust fund was initially identified in the Affordable Housing Policy Task Force Report completed in 2008, and provisions for long-term affordability were included within that report. The 2010-2014 City Consolidated Plan also included a goal of starting a new Housing Trust fund and organization. The creation of a housing trust fund was also identified as a strategy and objective for addressing affordable housing within the City's Visioning process.

The City of Columbia recently hosted the Affordable Housing Symposium on December 3 and 4th. The event included 132 attendees representing a diverse number of groups and individuals. The event was attended by local banks, developers, builders, business and community leaders, neighborhood representatives, social service providers, the university, the Chamber of Commerce, the Board of Realtors, and individual members of the public. The most important goal of the event was to develop 3-5 actionable steps to advance affordable housing in Columbia. The top rated item was to develop a "housing trust fund" to develop and maintain long-term affordable housing.

The development of a housing trust fund and/or community land trust has been identified as an important goal for Columbia through a variety of public forums over the past 10 years. Procuring consulting services from Michael Brown of Burlington Associates will assist the City in determining the feasibility of a land trust organization and solidify the City staff's ability to effectively implement a community land trust entity, if a "go" decision is made. Procuring these services will also ensure a viable plan for operations and the establishment of a corporate structure that most effectively serves the community.

Fiscal Impact

Short-Term Impact: \$4,000
Long-Term Impact: \$15,000



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Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Health, Social Services & Affordable Housing, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Strategic Plan Impacts:

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

Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
02/18/2008	The Affordable Housing Policy Committee Report completed and identified the need for a Housing Trust fund and organization.
10/5/2009	2010-2014 Consolidated Plan Approved, which included the goals of establishing a Housing Trust Fund and business plan for an administering organization.
8/17/2015	Council approved the purchase of 109, 111 and 113 Lynn for the development of Lynn Street Cottages.
9/21/2015	Council approved appropriating \$200,000 in FY 2014 General Fund Savings for the development of the Lynn Street Cottages.
12/4/2015	Final session of Affordable Housing Symposium concluded with final public input resulting in the formation of a housing trust as the highest priority for further affordable housing in Columbia.
12/7/2015	Council approved an amendment to the PUD for the development of Lynn Street Cottages.



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Suggested Council Action

Approve the resolution transferring funds from Council Reserves to the Community Development Department for the purposes of procuring land trust consulting services from Michael Brown of Burlington Associates.

Introduced by _____ Council Bill No. _____ R 13-16

A RESOLUTION

authorizing a contract with Burlington Associates in Community Development, LLC for consulting services to assist in the planning and development of a community land trust organization; transferring funds.

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

SECTION 1. The City Manager is hereby authorized to execute a contract with Burlington Associates in Community Development, LLC for consulting services to assist in the planning and development of a community land trust organization. The form and content of the contract shall be substantially as set forth in "Attachment A" attached hereto and made a part hereof.

SECTION 2. At the request of the City Manager, the City Council hereby transfers \$19,000.00 from the Council Reserve Account No. 110-8500-590.56-86 to the Community Development Miscellaneous Contractual Account No. 110-4010-532.49-90.

ADOPTED this _____ day of _____, 2016.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

CONTRACT FOR SERVICES
Between
City of Columbia Missouri
and
Burlington Associates in Community Development, LLC

This AGREEMENT is made as of the ____ day of February 2016 by and between **City of Columbia Missouri** (hereinafter referred to as "the City") whose principal office is presently located at 701 East Broadway, City of Columbia Missouri, 65205, and **Burlington Associates in Community Development, LLC**, a limited liability company, organized in the State of Vermont (hereinafter referred to as "Burlington Associates") with a mailing address at P.O. Box 994, Burlington, Vermont, 05402.

Witnesseth:

Whereas, the City desires to engage Burlington Associates to assist the City to explore the feasibility of creating a community land trust (CLT) to create and preserve a local supply of permanently affordable homes and to determine the critical assumptions on which this CLT would be developed and operated;

Now, therefore, the City and Burlington Associates do mutually agree to the terms and conditions of this Contract for Services.

Section 1. Scope of Work

Burlington Associates shall perform the following tasks while coordinating the execution of such tasks with the City, as appropriate:

1.1 – Assist the City to assess the feasibility of a City-sponsored community land trust initiative and to define develop a business plan that articulates the critical assumptions on which this CLT would be developed and operated in Columbia –

Specific tasks to be completed include:

- Assist the City to assess the likely market demand for resale-restricted affordable housing that would be provided by a CLT in Columbia and inform the long-term goals and short-term plans for a CLT initiative would be based.
- Assist the City to determine the gap a CLT city-sponsored would fill and the services it would provide, in order to make an informed decision to proceed with planning for a Columbia community land trust.
- Assist the City to consider the critical business planning assumptions on which a City-sponsored CLT would be established and operated – including: organizational structure and governance; service area; target clientele; housing priorities and projected subsidy requirements; critical organizational functions to be managed; staffing capacity requirements; anticipated pace and scale of CLT's portfolio growth; etc.
- Assist the City to develop annual operating budget requirements (expenses and revenue) for the first years of the CLT's operations.

- 1.2 – Provide the City with a written summary of critical business plan assumptions and including multi-year operating budget projections for the City-sponsored community land trust.

The specific scope of services is outlined more fully as Phase One (pp. 1-5) in the revised Proposal for Services, dated November 9, 2015, attached below as Exhibit A.

Section 2. Responsibilities of the City of Columbia

In addition to compensating Burlington Associates for services performed and reimbursing Burlington Associates for expenses incurred in carrying out the Scope of Work, the City shall be responsible for completing the following tasks, all of which are necessary and essential for Burlington Associates to complete its tasks in a successful and timely fashion:

- 2.1 Convene and participate in all meetings with Burlington Associates to be scheduled to deliberate the critical decisions required to complete scope of services outlined above. Cover any costs associated with these meetings (such as meeting space, publicity, photocopying and the like).
- 2.2 Arrange for and schedule any meetings with public officials, local lenders, funders, nonprofit organizations and other local resources that may be required.

Section 3. Limitations

- 3.1 Both parties acknowledge that the information provided and the services rendered under the Scope of Work by Burlington Associates will be ***advisory*** to the City – and the City will assume sole and complete responsibility for making final decisions related to the services provided.
- 3.2 Both parties acknowledge that successful completion of the Scope of Work under the conditions of this Contract requires adequate and timely completion by the City – and eventually, the initial CLT board of directors – of organizing tasks related to the planning process. The City acknowledges that Burlington Associates may be unable to complete the Scope of Work if such tasks are not completed by the City in a timely fashion and agrees not to hold Burlington Associates liable for non-completion in such circumstances.

Section 4. Personnel

- 4.1 **Burlington Associates.** Michael Brown is the principal of Burlington Associates who shall play the leading role in carrying out the Scope of Work specified in Section 1 of this Contract for Services.
- 4.2 **City of Columbia Missouri.** Randy Cole shall oversee this Contract for Services and shall be the primary point of contact for Burlington Associates in responding to any requests for payment, information, or staff support. He shall also be responsible for assigning and supervising volunteers, staff or consultants that may be necessary in carrying out the responsibilities specified in Section 2 of this contract for Services.

Section 5. Scheduling of Work

While some of the services specified under the Scope of Work, above, will be performed ***on-site*** in Columbia Missouri, some of the work will be also performed ***off-site*** in Saint Joseph Minnesota or in other locations. The sequencing and scheduling of all services will be specified through periodic consultation and mutual agreement between Mr. Cole and Mr. Brown.

Section 6. Term

Work under this contract shall be retroactive to January 1, 2016 and shall be completed no later than June 30, 2016, unless extended by the written mutual consent of both parties.

Section 7. Compensation

- 7.1 Compensation for the professional services by Burlington Associates outlined in Phase One of the revised proposal for services (attached as Exhibit A) shall be paid by the City at a rate of one hundred thirty-five dollars (\$135.00) per hour. Travel time is included in the professional hours billed, up to but not exceeding a ***maximum*** of eight (8) hours per day for each day spent on-site, including travel between St. Joseph MN and Columbia MO. Total compensation for professional services is a not-to-exceed amount of eight thousand three hundred seventy dollars (\$8,370.00). In addition to compensation for professional services, Burlington Associates will be reimbursed by the City for documented travel expenses paid by Burlington Associates in carrying out the Scope of Work specified in Section 1 herein, including transportation costs, lodging and meals for multi-day on-site visits.
- 7.2 If additional time and professional services are requested by the City above the tasks and products identified in the Scope of Work, Burlington Associates will bill for these services at a rate of one hundred thirty-five dollars (\$135.00) per hour.
- 7.3 Burlington Associates will submit monthly invoices to the City, identifying the time worked by date, the general service(s) that were performed, the reimbursable expenses incurred and the total compensation (and any expense reimbursement) that is due and payable.
- 7.4 The City will pay all invoices from Burlington Associates within twenty-one (21) days of receipt. A late fee of ten percent (10%) per month may be added to the balance of invoices that remain unpaid for longer than thirty (30) days and may terminate this Contract for Services if an invoice remains wholly or partially unpaid for longer than forty-five (45) days.

Section 8. Termination

- 8.1 **TERMINATION FOR CONVENIENCE.** This Contract for Services may be terminated by mutual agreement of both parties. In the event of termination not the fault of Burlington Associates or the City of Columbia, Burlington Associates shall be compensated for all ser-

vices rendered and reimbursed for all expenses incurred up to and including the termination date.

8.2 **TERMINATION FOR CAUSE.** This Contract for Services may be terminated by either party upon fourteen (14) days written notice should either party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. In the event of termination through the fault of Burlington Associates, Burlington Associates shall not be due compensation for services rendered after the last billing immediately preceding the termination. In the event of termination through the fault of the City, including nonpayment as described in Section 7.4, above, Burlington Associates shall be due compensation for all services rendered and shall be reimbursed for all expenses incurred up to and including the termination date.

8.3 Within 30 days of termination of this contract, the City shall be entitled to receive copies of all finished reports prepared by Burlington Associates under this Contract for Services.

Section 9. Employment Status

For purposes of performing the services specified in this contract, the parties agree that Burlington Associates is an independent contractor. Burlington Associates is not an employee of the City. Burlington Associates is responsible for all withholding and other tax liabilities resulting from this contract.

Section 10. Miscellaneous

10.1 *Nondiscrimination*

Burlington Associates shall not discriminate against any employee, applicant for employment, or applicant for services because of race, color, religion, sex, disability, age, sexual or affectional orientation, or national origin.

10.2 *Translations*

Services provided by Burlington Associates will be conducted in the English language. Should the City determine that verbal or written information provided by Burlington Associates must be translated into a language or languages other than English, the City shall bear the responsibility and the cost of performing such translations.

10.3 *Assignments and Subcontracts*

Burlington Associates shall not assign the performance of this Contract or any portion thereof to any principal of Burlington Associates other than Mr. Brown, without the prior knowledge and verbal approval of the City. Nor shall Burlington Associates subcontract the performance of this Contract or any portion thereof to any person who is **not** a principal of Burlington Associates without the prior written approval of the City.

10.4 Agreement and Amendment

This Contract represents the entire agreement between City of Columbia Missouri and Burlington Associates. No changes, modifications, or amendments in the terms or conditions of this Contract shall be effective unless reduced to writing, numbered and signed by duly authorized representatives of the City and Burlington Associates.

10.5 Severability

If any provision of this Contract for Services is found to be illegal or unenforceable, this Contract nevertheless shall remain in full force and effect and the provision shall be stricken.

This contract shall be governed by applicable federal and state law. Each provision is separate so to the extent that any provision is rendered invalid by any act of the U.S. Congress, the Minnesota State Legislature, the Missouri General Assembly, or the Vermont State Assembly it shall have no effect on the validity of each and every other provision.

CITY OF COLUMBIA, MISSOURI

By: _____
Mike Matthes, City Manager

ATTEST:

By: _____
Sheela Amin, City Clerk

APPROVED AS TO FORM:

By: _____
Nancy Thompson, City Counselor

CERTIFICATION: I hereby certify that this agreement is within the purpose of the appropriation to which it is to be charged, Account No. _____, and that there is an unencumbered balance to the credit of such appropriation sufficient to pay there-fore

By: _____
John Blattel, Director of Finance

BURLINGTON ASSOCIATES IN COMMUNITY DEVELOPMENT, LLC

By: _____
Michael Brown, Partner



9 November 2015

To: City of Columbia Missouri
 From: Michael Brown
 Re: **Proposal for Community Land Trust Technical Assistance**

Thank you for inviting me to submit a proposal for professional services to assist the City of Columbia and its community stakeholders to explore the feasibility of creating a community land trust (CLT) to create and preserve a local supply of permanently affordable homes, determine the critical assumptions on which this CLT would be developed and operated – and, if deemed feasible, to proceed with the implementation of a CLT initiative.

Based on my experience doing this work with several dozen start-up community land trusts over the years, I recommend a two-part, sequential approach – with a “go/no go” decision point between the phases:

1. *Feasibility assessment and business planning* – Is the community land trust initiative that you are considering, in fact, feasible and potentially viable? What is the anticipated range and scope of the CLT’s activities and what kind of capacity – and what level of resources – will be required to help assure that the CLT will be successful over time?
2. *Implementation* – How best to establish and implement the CLT operations in order to achieve the anticipated goals?

The following proposal outlines the basic steps required to design and create a community land trust likely to be successful and the professional assistance I am prepared to provide to assist and support this effort.

Phase One: Feasibility Analysis and Business Planning

The City of Columbia is interested in exploring whether a community land trust may be a potentially effective strategy to create and preserve a permanent supply of affordably priced owner-occupied homes for limited-income households and residents of the city. However, before proceeding to establish a CLT, whether as a program of the City (or of an existing nonprofit community organization), as a separately incorporated entity with a contractual relationship to the City, or a new standalone nonprofit organization, a number of critical assumptions merit careful consideration and deliberation. These include:

Mission

- + Will the CLT’s focus be solely on providing and preserving affordable, detached owner-occupied homes? Or may the CLT’s portfolio one day also include other housing tenures, such as condominiums, housing cooperatives – or perhaps even rental housing?
- + Does the City ever anticipate adding commercial or mixed-use properties to the CLT’s portfolio?

Service Area

Will the CLT prioritize its activities in certain neighborhoods within the city limits of Columbia or will it be designed to operate throughout the city? Are there areas into which the CLT could someday potentially expand into Boone County or the Greater Columbia multi-county region?

Corporate Structure

Who will be responsible for the ongoing operation of the CLT and managing its critical stewardship functions? And what corporate structure would be most appropriate for a CLT to be successful in the geographic area in which it would operate?

- + Would it work to have the CLT operated as a program of the City of Columbia? What are the advantages – as well as the risks and liabilities – of a municipally operated CLT?
- + Should the CLT be established as a program under the corporate structure and governance of a capable, existing, nonprofit organization? If so, which organization? What are the advantages and disadvantages to the City in this arrangement? And what changes may be needed to the ‘parent’ organization’s Articles of Incorporation, bylaws, and IRS 501(c)(3) ruling?
- + Should the CLT be incorporated as a separate nonprofit corporation with a *subsidiary* relationship to the City (i.e., the City appoints the CLT’s board of directors) or an *affiliate* relationship with the City (in which the CLT contracts with the City for staffing services)? What are the benefits and liabilities for the City in either of these separate-but-related arrangements? And how will the new organization’s Articles of Incorporation, bylaws, and 501(c)(3) application be structured?
- + Or should a new, separately incorporated nonprofit corporation be created to be and operate as the CLT? What are the advantages and risks to the City in this approach? And, if so, how will the new organization’s Articles of Incorporation, bylaws, and 501(c)(3) application be structured?
- + And, in any of these organizational structures, how will the CLT’s board of directors be comprised? To what extent will the composition of the board mirror the ‘classic’ CLT three-part governance structure? And how will representation on this board be determined?

Competition and Partnerships

- + Who are the key entities with a stake in the successful operation of a CLT?
- + What are the key partnerships that will need to be forged and maintained in order for a CLT to proceed?
- + Are there other programs or initiatives that could compete with – or otherwise impede or complicate – the operation of a CLT within its service area?

Housing Development

- + What types of housing will likely become a part of CLT’s portfolio, especially in the first years of its operations? Single-family homeownership? Detached? Attached? Multi-family? All – or a combination – of the above?
- + What role(s) will the CLT play in the development of this housing? Will the CLT develop the homes that will become part of its portfolio? Or will the City or some other nonprofit and/or for-profit entity be responsible for developing the homes that the CLT will keep affordable?

Targeting

- + Who will be eligible to live in the CLT’s housing? What will be the maximum income “ceiling” for eligibility? What will be the range of incomes served? And what other priorities and preferences might be used to determine eligibility?
- What would be the optimal price range for the housing provided by the CLT to this target market?

Subsidies

- How deeply must market-rate housing be subsidized to make it affordable for households in the CLT’s target range?
- What resources – including land, financial subsidies and governmental policies – are (or can be made) available from the City (as well as, potentially, from Boone County and the State of Missouri) for the creation of the permanently affordable housing that will become a part of a CLT’s portfolio?

And what resources are similarly available through private sector entities (e.g., local employers) and philanthropic sources?

- In what quantities – and in what amounts – might these public and private resources be made available for enhancing the affordability of CLT homes?

Market demand

- Is there – or will there likely be – demand among the target clientele for the resale-restricted, owner-occupied housing the CLT would provide – assuming, the housing is high quality and energy-efficient, the location desirable and the price affordable to households otherwise unable to purchase?

Scale

- + Given the amount of public and private subsidies that may be available to the CLT, how big and how fast might the CLT's portfolio be able to grow?
- + How many homes are likely to come into the CLT each year – beginning when – over the course of the next ten years?

Organizational capacity and budget

- + What will be the staffing – and administration and overhead – requirements for the CLT in order to accommodate this build-out schedule?
- + What are the ongoing stewardship obligations for which the CLT will be responsible on a month-to-month and year-to-year basis for a very long time?
- + What are the budget requirements to cover start-up costs, including legal costs (articles of incorporation, bylaws, 501(c)(3) application, ground lease, closing documents, etc.) meeting expenses and community outreach and education?
- + What would be the projected operating budgets for the first years of the CLT's operations?
- + What are the estimated revenue requirements needed to cover these operations and administrative costs?

Sustainability

- + At what point might it be possible for the CLT to become self-sustaining, at least insofar as its stewardship functions are concerned?

Phase One: Process

In my experience, it is most effective for a designated steering committee to commit to the deliberation and decision-making process throughout this business planning process (and continue on with the second, implementation phase, if a decision is made to proceed). I suggest that, however it is structured and designated, this working group of 6-8 (or perhaps a few more) individuals should include, of course, representatives from the City of Columbia as well as other individuals who represent the varied interests of the community likely to be served. In many cases, I should point out, members of this steering committee transition onto the governing board of directors or advisory committee to the community land trust, if one is created. Once this steering committee is appointed, I would work with the committee to address the critical, foundational issues outlined above. While issues of timing and logistics would need to be negotiated, I suggest this process beginning with an initial, two-day/one-overnight on-site visit¹ centered on a face-to-face meeting of the committee. During this meeting, we would discuss and come to agreement on particulars of the planning process, determine a schedule of meetings, and begin the discussions and deliberations regarding

¹ There are no direct airline connections between MSP and COU and the earliest arrival time into COU via connecting flights would be late afternoon. Accordingly, it likely makes the most sense for me to fly into St. Louis and drive from STL to Columbia. I could, for example, book reservations that would get me into St. Louis at 9:45AM on the first day of my visit and depart for MSP on the second day at 7:00PM, allowing me to be in Columbia from early afternoon on day one through late afternoon on day two.

the key business planning assumptions on which this CLT initiative would be established and operated. During this visit, I would also be available to meet with other municipal staff, elected officials and other community stakeholders, as appropriate and as the schedule allows.

Over the course of the following weeks, I would work remotely with the committee, providing written drafts, decision guides and financial modeling, electronically, in advance of at 3-4 committee meetings – in which I would participate via conference call and web conference. Towards the end of this iterative process, I would return to Columbia for an additional on-site visit during which I would facilitate an extended meeting with the steering committee, focused on coming to final agreement on a series of recommendations. During this second two-day visit, I would again be available to meet with city officials and other community stakeholders, as needed, this time to present and discuss key outcomes of the business planning process and help to build awareness and support for the developing CLT initiative.

Immediately following this site visit, I would draft a final summary of the preliminary business planning assumptions for a local community land trust – including a brief narrative outlining these assumptions along with multi-year operating budget projections – that I would forward on to the committee and to participating, sponsoring organizations for final review and approval. This document would provide you all with a framework to (1) use to evaluate and make a ‘go/no-go’ determination whether and how to proceed with the implementation of a community land trust in the neighborhoods you elect to serve; and (2) use to build political, financial, and community support for the CLT effort, if the decision is to proceed.

Phase One: Anticipated Outcomes

The outcomes anticipated to result from this feasibility assessment and business planning process include:

- + Representatives and officials from the City of Columbia, along with other community leaders will have deliberated the critical issues needed to establish and successfully operate a community land trust and will have developed joint recommendations on how best to proceed.
- + Recommendations will have been developed regarding: the breadth of the mission and core functions to be managed by the CLT; how best to structure the CLT and govern its operations; what the CLT’s service area would be; the priority targeting for the CLT’s property acquisitions and the target market it will serve; how much equity investment is likely to be required to undertake this mission, acquire these properties, and serve this clientele, along with some possible sources for providing this equity; how the homes and any other properties to be brought into the CLT’s portfolio are likely to be developed; and the organizational capacity needed by the CLT to manage its stewardship commitment on an ongoing basis, based on these growth assumptions.
- + A written summary of the critical business plan assumptions – listing critical foundational and operating assumptions and including multi-year operating budget projections – would be completed, providing a framework for key stakeholders and decision-makers to use to evaluate and make a ‘go/no-go’ determination whether and how to proceed with the implementation of a community land trust within its designated service area.

Phase One: Timeline

The schedule for regular meetings as well as the deadline for the completion of this assessment and planning phase will need to be negotiated with the City as well as with the CLT steering committee. Based on previous experience, it is likely that this process will take four (4) months or so after the scope of services is finalized and a contract for services executed between Burlington Associates and the City of Columbia. (It is possible that we could shorten this process, depending on your preference and local circumstances.)

Phase One: Budget

I estimate that my work to complete the remaining tasks associated with informing and facilitating the committee's deliberations and decision-making would require 40-50 hours of professional services performed off-site from my office in Saint Joseph Minnesota. Additionally, as explained above, I would make an initial site visit to begin the feasibility assessment process and a final site visit to finalize the business planning assumptions. The total cost for professional fees (at Burlington Associates' current rate of \$135/hour) to complete this feasibility assessment and business-planning phase is **\$8,370**, as follows:

\$ 4,050	off-site professional services
\$ 4,320	on-site professional services

Additionally, Burlington Associates also requests reimbursement for reasonable travel expenses incurred as part of the work. For the two site visits involved in Phase One, the estimated cost for these travel expenses (airfare; overnight lodging; ground transportation; and meals) is **\$2,100**.

Should the City request additional services beyond the scope of work outlined above, this work would be billed at a rate of \$135.00/hour and would be in addition to the estimated budget for this initial phase.

Phase Two: Implementation

If, upon completion of the initial feasibility assessment and business planning process, the City – along with community stakeholders – determines to proceed, the second and final phase would be focused on establishing and implementing the CLT designed and planned in the first phase. In this phase, I would assist and advise the City, the CLT steering committee – and eventually, the CLT organization's initial board of directors – along with its community partners and stakeholders, as final decisions are made to establish a community land trust with the organizational capacity needed to operate successfully.

The technical assistance I would provide in this phase would concentrate on the following task areas:

Phase Two: Process

The planning process for this implementation phase would focus on designing and establishing the CLT's operations as well as designing and implementing its homeownership program, as follows:

Develop Basic CLT Structure

1. Assist the CLT steering committee (and/or initial CLT board of directors) – to introduce the CLT concept, by making presentations, as needed, to community organizations and the general public to explain the City-sponsored CLT initiative and its plans and community goals.
2. Assist in establishing CLT's corporate structure, based on the organizational assumptions regarding mission, operations, program priorities, and governance outlined in Phase One.
 - a. If it is decided to establish the CLT as a program within the corporate structure and under the governance of an existing organization, work in this area would focus on reviewing the parent organization's Articles of Incorporation and bylaws, and revising them, as needed, in areas including mission, powers and duties and governance, as well as reviewing its 501(c)(3) "charitable" designation, to determine if additional information may need to be provided to the IRS.
 - b. If the decision is to establish the CLT as a separate – or as a separate-but-affiliated – non-profit corporation, I would assist with developing Articles of Incorporation and bylaws (based on model CLT documents) for this new CLT entity. Additionally, I would provide narrative for use in the CLT's application to IRS for 501(c)(3) tax-exempt designation.

Build CLT Organizational Capacity

1. Advise the City and the CLT steering committee on the skill sets and experience needed on the CLT's initial board of directors.
2. Provide training to the City, the CLT steering committee – and eventually to the CLT's initial board of directors – to ensure strong, informed organizational operations and governance.

Design CLT's Homeownership Program

1. Assist the City and initial CLT board of directors to develop a CLT ground lease, including resale formula, suitable for successful operation of CLT.
2. Assist the City and the initial CLT board of directors to orient local mortgage lending community in order to secure mortgage commitments for qualified CLT homebuyer households.
3. Assist the City and the CLT board of directors to develop homebuyer selection policies, including:
 - a. income targeting for CLT homebuyers
 - b. eligibility and selection criteria
 - c. application and selection process
4. Assist the City and the initial CLT board of directors to develop orientation process to educate potential homebuyers about benefits and responsibilities of buying, owning and selling a home through the CLT.
5. Orient the City and the initial CLT board of directors regarding CLT stewardship responsibilities and assist in developing a framework for the CLT's stewardship policies and procedures.
6. Assist City and the the initial CLT board of directors to educate key professionals in the community development, real estate, appraisal, and housing development sectors in the region regarding the benefits and requirements of community land trusts.

Provide On-Going Consultation, as needed

Phase Two: Outcomes

At the end of this phase of Burlington Associates' technical assistance involvement, it would be my goal for the following outcomes to be in place for the community land trust initiative that is created:

- + A community land trust would be ready to be operational. If a new CLT organization is to be established, Articles of Incorporation and bylaws for operating a CLT would be drafted and key narrative provided for an application to be submitted to the IRS, seeking tax-exempt designation for the new CLT organization. If the CLT is to be operated as a program of an existing nonprofit community organization recommendations would be completed to revisions needed to the parent organization's Articles, bylaws and IRS tax-exempt ruling. In either case, issues regarding the composition and selection of the CLT's governing board would have been resolved.
- + A ground lease and resale formula would be in place for use by CLT in its initial affordable homeownership project(s).
- + The process of securing mortgage financing commitments for qualified CLT homebuyers would be in place.
- + A strategy would be in place for orienting potential CLT homebuyers about the benefits and obligations of buying, owning and selling a CLT home.
- + A framework for determining eligibility and selection of potential CLT homebuyers would have been designed.
- + The CLT organization (or program) will have a thorough understanding of the stewardship responsibilities it must manage for its varied properties and leaseholders on an ongoing basis for a very long time.

- + Key themes will have been determined to use to orient community leaders, community residents, funders, policy makers and key personnel operating in the local real estate community (e.g., developers, appraisers, realtors, lenders) would be familiar with the CLT and its operations and its goals.

Phase Two: Timeline

The specific timeline for the completion of Phase Two activities and the establishment of the community land trust would also need to be negotiated. Based on previous experience, however, I estimate that this work could be completed in 9-10 months following the completion of the first phase. The timeline for this phase, like the previous one, could be completed sooner or extended longer, depending on local preferences and local circumstances.

Phase Two: Budget

As with the first phase, this work would be completed both on-site in meetings in Columbia, through a series of meetings in which I would participate remotely, and a fair bit of discussions and deliberations that the CLT planning committee would conduct on their own. I anticipate making a total of three (3) additional site visits to Columbia in this phase, to work with the City and its community partners, along with the CLT steering committee and, depending on progress, potentially with the initial CLT board of directors.² The balance of the work, including document preparation and participation in 3-4 (perhaps more) meetings via conference call or web conference, would be completed offsite from my office in Minnesota. I project the cost for my professional services during this 'implementation' phase – focusing on creating the CLT and bringing it to the point where it is operational – is **\$11,340**, as follows:

\$ 4,860	off-site professional services
\$ 6,480	on-site professional services

As with the earlier phase, Burlington Associates will need to be reimbursed for reasonable travel expenses incurred as part of the work. For the three site visits involved in Phase One, the estimated cost for these travel expenses (airfare; overnight lodging; ground transportation; and meals) is **\$3,100**.

If additional services are requested beyond the scope of work outlined above, this work will be billed at a rate of \$135.00/hour and will be in addition to the estimated budget for this second phase.

Combined Technical Assistance Budget: Phases One and Two

Should you all decide to contract with Burlington Associates for this technical assistance for both phases outlined in this proposal, the total cost for professional services to complete both phases of this scope of services would be **\$19,710**. In addition, the City would be responsible for paying actual travel costs for the five on-site visits outlined in this scope – estimated to be in the range of **\$5,200** for both phases.

This budget for Burlington Associates' consulting services does *not* include any legal fees to be incurred by the City of Columbia or the to-be-created community land trust for legal services related to the creation or operation of the CLT. And this budget assumes that the City of Columbia and/or its community partners and stakeholders will take responsibility for scheduling all meetings and presentations during the on-site visits and will cover all costs on its end associated with these meetings (e.g., publicity, refreshments, photocopying and the like).

Conclusion

This proposal for services was carefully prepared, based on my understanding of the assistance you are seeking. It is also based on years of experience, doing this kind of work with dozens of start-up CLTs – ex-

² As in the first phase, I anticipate each site visit would be a two-day/one overnight trip.

perience that has helped me fully understand the critical importance and considerable work involved in laying a solid and thoughtfully deliberated foundation for any new community land trust initiative.

Should you see areas in this proposal that require further information or clarification – or you identify additions or revisions that you think need to be made to this proposal – be sure to let me know. I assure you that I have done everything I can to keep the budget for my professional assistance as low as possible, without shortcutting the work that I know needs to be done. Although the two phases of the work are closely related (and at least some of the work in each phase can be done simultaneously), I could, if it would be helpful, break the two phases up into two separate contracts. (And I can provide you with a professional services contract that we have developed for use with our other clients).

Community land trusts create and preserve affordable housing and other community assets for the long-term benefit of the local community; leverage and protect the precious and limited public private resources that are required to make the community assets available, affordable, and accessible in the first place; prevent the displacement of lower-income households from the homes and neighborhoods in which they live; provide ongoing support and assistance to homeowners who live on land owned by the CLT to bolster the prospects of their success; and ensure that the homes and properties in its portfolio are well-maintained and retain their value (even as CLTs protect and preserve their affordability and availability) for the long-term benefit of the neighborhoods and communities in which they are located.

Given what I have learned from you about Columbia and the challenges it faces, there is little doubt in my mind that a community land trust would be an ideal fit. I would really like the opportunity to work with you and your colleagues to make this community land trust in your community a reality.

Thank you for your consideration. I look forward to your response.

Michael Brown
320.363.0912
mbrown@burlingtonassociates.com