

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: R 69-15

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: 4/20/2015

Re: Approving an agreement with Gentry Estates II, L.P.

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance, Exhibits to the Resolution/Ordinance

Supporting documentation includes: Site Drawing

Executive Summary

City Council approved an amendment to the FY 2015 CDBG and HOME Annual Action Plan on March 16, 2015, including a reallocation of HOME funding for Gentry Estates Phase II. JES Dev Co, Inc. applied for HOME funds in September of 2014 to go with their application to the Missouri Housing Development Commission (MHDC) for tax credit financing. JES Dev Co, Inc. was awarded funding through the MHDC for the development of affordable senior rental housing at Gentry Estates Phase II. Both the MHDC funding and city HOME funding agreements will be with Gentry Estates II, L.P. Sources of funds for this development include \$100,000 in City HOME funding, tax credit equity and private financing. The total project development cost is approximately \$8.6 million.

Discussion

The City of Columbia CDBG and HOME Administrative Guidelines allow Rental Production applications to be accepted on a rolling basis throughout the year. Projects are awarded as funding is available and primarily go towards projects funded through MHDC. Funds are provided in the form of a low interest loan with an approved amortization schedule. Loans are typically provided to private developers at a rate of 1% interest and require monthly payments. Repayment periods have ranged from 20 to 30 years. The attached agreement includes a monthly repayment period of 25 years with an interest rate of 1%.

The Gentry Estates Phase II project consists of 48 affordable housing units for seniors aged 62 and older. The development will be similar in design to Gentry Estates Phase I and will include a 3-story L-shaped building with outdoor leisure space and walking paths. The development will include a mix of one bedroom and two bedroom apartments sized at approximately 750 and 875 square feet respectively. The building will include a community room, parlor, fitness center and computer area.

City HOME funding will result in 2 HOME funded units to remain affordable for a period of 20 years. Approval of the attached agreement authorizes Gentry Estates II, L.P. the use of \$100,000 in HOME funds towards the development of Gentry Estates Phase II.

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Fiscal Impact

Short-Term Impact: None.

Long-Term Impact: Ensures compliance with HUD expenditure guidelines.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing, Infrastructure, Workforce

Comprehensive Plan Impact: Accessibility, Economic Development, Livable & Sustainable Communities

Suggested Council Action

Approve the resolution authorizing a HOME agreement with Gentry Estates II, L.P.

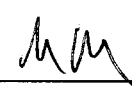
Legislative History

To date the City Council has taken the following action on the development Gentry Estates Phase II:

March 16, 2015: Council approved an amendment to the FY 2015 Annual Action Plan reallocating \$100,000 in HOME funding for Gentry Estates Phase II.



Department Approved



City Manager Approved

Introduced by _____ Council Bill No. R 69-15

A RESOLUTION

authorizing an agreement with Gentry Estates II, L.P. for HOME funds for the Gentry Estates Phase II housing development project for senior citizens.

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

SECTION 1. The City Manager is hereby authorized to execute an agreement with Gentry Estates II, L.P. for HOME funds for the Gentry Estates Phase II housing development project for senior citizens. The form and content of the agreement shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof.

ADOPTED this _____ day of _____, 2015.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

EXHIBIT A
AGREEMENT

THIS AGREEMENT, made and entered into this 20th day of April, 2015, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter "City"), and Gentry Estates II, L.P., a Missouri limited partnership (hereinafter "Owner").

WITNESSETH:

WHEREAS, the City receives HOME Investment Partnership Program Funds from the U.S. Department of Housing and Urban Development for the purpose of providing affordable housing for low-income citizens;

WHEREAS, Owner is in need of funds to construct housing units located at the Gentry Estates Phase II development; to develop affordable housing for low income senior populations;

WHEREAS, the Owner owns property to construct compliant housing on property legally described as;

Lot five (5) of Gentry Estates, a subdivision in the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in plat book 46, page 23, records of Boone County, Missouri.

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

1. Statement of Work:

- a. The City agrees to provide the Owner ONE HUNDRED THOUSAND DOLLARS (\$100,000) to construct affordable rental housing located at 4150 Bethel Street; in accordance with items included in the application for HOME funding provided by the Owner. The development shall include and maintain 2 HOME funded floating units under this agreement. Maximum City HOME funding per unit shall be \$50,000. Funding shall be provided in the form of a secured loan, to be repaid with 1% interest per year over a 25 year term, and upon sale or use of the property for a purpose that does not comply with 24 CFR 92.206 or for uses prohibited by 24 CFR 92.214. Noncompliance, prohibited use or violations of the terms of this agreement shall require immediate repayment in full of funds to the City of Columbia.

2. Levels of Accomplishment – Goals and Performance Measures: The Owner shall include the development of 2 HOME funded units over the period of this agreement, in accordance with the following:

- a. The Owner agrees to begin utilization of HOME funds prior to December 1, 2015.
- b. The Owner agrees to have 50% of HOME funds expended by June 1, 2016
- c. The Owner agrees that all development work shall be completed and funds expended prior to December 31, 2016.
- d. The Owner agrees that each HOME funded unit will be occupied by a HOME eligible household within 18 months of receiving a certificate of occupancy.
- e. Should progress on this project fall short of the above listed milestones, the amount of funding, time frame for project completion, and the ability of the Owner to complete the project may be reviewed by the Community Development Commission and City Council, and subject to termination without reimbursement of additional expenditures.
- f. The Owner's obligation shall not end until all close-out requirements are completed. Activities during the closeout period shall include, but are not limited to: making final payments; disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Owner), and determining custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Owner has control over HOME funds, including program income and shall continue for a period of twenty years from the date of project

completion.

3. Payments:

- a. Upon presentation of proper documentation by the Owner, the City will reimburse the Owner an amount of funding for the costs of construction and design and inspection services, including all improvements to the building consistent with the Owner's HOME application. Final payment shall not be made until compliance with the above requirements is met. Documentation needed to secure payment shall include the following: payment request form; paid invoices; documentation of Davis-Bacon prevailing wage compliance, lien waivers from contractors, material suppliers, subcontractors; and copies of all contracts executed by the Owner that include applicable requirements and regulations contained in this agreement.
- b. The Owner shall not obligate funds for payment for construction activities under this agreement until the City has completed an environmental review of the site on which construction will occur and a release of funds has been obtained by the City from the Department of Housing and Urban Development.

4. City Recognition: The Owner shall ensure recognition of the role of the City HOME funds in providing services through this agreement, including reference to the support provided herein in all publications made possible with funds available under this Agreement.

5. Records and Reports:

- a. The Owner shall provide all information needed for monitoring purposes by the City or the U.S. Department of Housing and Urban Development, including, but not limited to, information specifically mentioned in this Agreement as required by the City and the Department of Housing and Urban Development.
- b. The Owner agrees to provide an annual financial audit and comply with all other uniform administrative requirements of the HOME Investment Partnerships Program.
- c. Upon completion of the project, the Owner shall provide information, in a format prescribed by the Department of Housing and Urban Development, concerning the following: demographics of each occupant; the race, ethnicity, and household status of each occupant. Information proving the income of each person residing at the house shall be provided to the City on an annual basis and shall be made available by the Owner to the City upon request.
- d. In addition to income information, the Owner shall retain all records pertinent to expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this agreement, or after the resolution of all Federal audit findings, whichever occurs later.

6. Other Provisions.

- a. The Owner 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 Owner agrees to comply with the following laws governing fair housing and equal opportunity: 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.

- c. The Owner 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.
- d. In accordance with the provisions of 24 CFR 85, the Owner agrees that the City may suspend or terminate this Agreement should the Owner 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.
- e. The Owner agrees to comply with the disclosure requirements and prohibitions of 31 U.S.C. 1352 and implementing regulations at 24 CFR part 87; and the requirements for funding competitions established by the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531 et seq.)
- f. The Owner agrees to comply with the prohibitions at 24 CFR Part 24 on the use of debarred, suspended or ineligible contractors.
- g. The Owner agrees to comply with the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and HUD's implementing regulations at 24 CFR part 24.
- h. The Owner shall procure all materials, property, contracts, and services in accordance with 24 CFR Part 84.40-48.
- i. The Owner shall comply with labor standards provisions of HUD regulations 24 CFR Part 570.603.
- j. The Owner agrees to comply with Section 110 of the Housing and Community Development Act of 1974, as amended, 24 CFR 570.603, and State regulations regarding the administration and enforcement of labor standards; Davis Bacon Act with respect to prevailing wage rates; Contract Work Hours and Safety Standards Act of 1962, 40 U.S.C.
- k. The Owner shall use the HUD Part 5 definition of income for determining occupant eligibility. Prior to signing a lease, income must be verified for all new tenants using source documentation accordance with 24 CFR 92.203(a)(1)(i). Occupant households must be at 60% or below the HUD defined area median income level. Source documentation must be reviewed at the time of signing a lease and at least every 6 years thereafter.
- l. The affordability period shall be based on the date of project completion defined by 24 CFR 92.2. In accordance with 24 CFR 92.252(e), at least 2 HOME funded floating units under this agreement shall maintain an affordability period consistent with HUD guidelines.
- m. Rent rates shall be approved by the City of Columbia and in accordance with annual limits provided by HUD. The Owner must obtain City approval before implementing HOME unit rent increases.
- n. This project must meet requirements of the Uniform Relocation Act (URA).
- o. The Owner shall maintain a Section 3 and MBE/WBE plan to ensure adequate marketing and

solicitation of Section 3 and MBE/WBE contractors.

- p. The Owner shall establish a written tenant selection plan consistent with the requirements of 24 CFR 92.253(d).
 - q. The Owner shall establish an affirmative marketing plan that meets requirements set forth in 24 CFR 92.351(a)(2).
 - r. The Owner shall utilize 1 year leases with occupants unless mutually agreed to by the occupant and Owner. The Owner shall not include prohibited lease provisions identified under 24 CFR 92.253.
 - s. The Owner shall maintain compliance with conflict of interest provisions stated in 92.356. The provision shall cover services provided for, or by, persons who are employees, agents, officers, or Board members of the Owner; or elected officials or employees of the City of Columbia, unless otherwise granted a written exception by the City.
 - t. The Owner shall be subject to annual monitoring to review HOME funded units for compliance under 24 CFR 92.504(d)(1). The City reserves the right to conduct file reviews on a more frequent basis based on compliance deficiencies identified in previous monitoring reports.
7. Compliance: Upon finding that the Owner materially fails to comply with any term of this Agreement, any HOME funds on hand at the time of such funding shall be transferred to the City of Columbia and future HOME assistance may be denied, in addition to all other legal remedies available to the City.
8. Notice to Transferees: If the Owner sells, transfers, exchanges or encumbers the property at any time after the initial date of HOME expenditures on the property described in the Agreement, the Owner or the Successor shall notify in writing and obtain the agreement of any buyer or its successor or other person acquiring the Property or any interest therein that such acquisition is subject to the requirements of this Agreement. The Owner 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.
9. Covenants Running with the Land: The terms of this agreement are covenants and restrictions running with the land and shall bind Owner and its successors and assigns for a period of twenty years from the date of project completion unless released sooner by written agreement of the parties.

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

ATTEST:

CITY OF COLUMBIA, MISSOURI

Sheela Amin, City Clerk

BY: _____
Mike Matthes, City Manager

APPROVED AS TO FORM:

Gentry Estates II, L.P.

Nancy Thompson, City Counselor

BY: _____
Jeffery Smith, CEO

CERTIFICATION: I hereby certify that this agreement is within the purpose of the appropriation to which it is to be charged, Account No. 266-0000-116.66.00, and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefore

John Blattel, Director of Finance

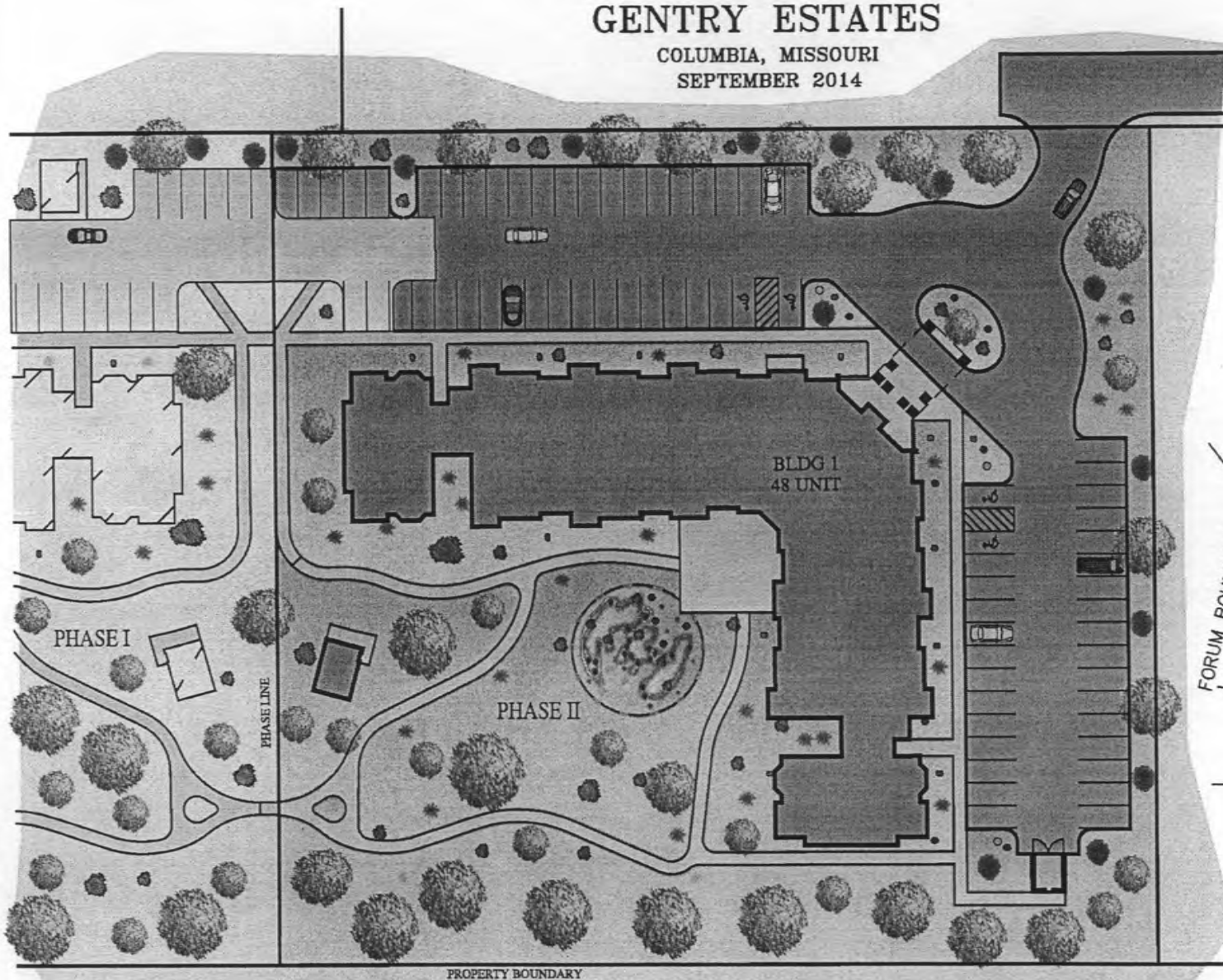


SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Site Drawing

PHASE II GENTRY ESTATES

COLUMBIA, MISSOURI
SEPTEMBER 2014



SCALE: 1" = 60'



SITE LOCATION MAP

NOT TO SCALE

JES Dev Co, Inc.

PROPOSED 3 STORY BRICK & FRAME BUILDING
48 UNITS (1 & 2 BEDROOM) - 72 PARKING STALLS
INDEPENDENT LIVING FACILITY



Engineering Surveys & Services

1113 Fay Street
Columbia, Missouri
573 - 449 - 2646

12505