

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: R 79-15

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: 5/18/2015

Re: Amendment of CHDO funding agreement between City of Columbia and Job Point.

Documents Included With This Agenda Item

Council memo, resolution, amendment, original agreement.

Supporting documentation includes: Letter requesting use of funds at 1101 Jefferson Street.

Executive Summary

Approval of this resolution will amend an existing agreement authorizing the use of Federal Housing and Urban Development (HUD) CHDO funds previously authorized for construction of a new single family home at 602 Florence. These authorized funds were not released and now are desired to be used for construction of one single family home at 1101 Jefferson Street by Columbia Missouri Community Housing Development Organization (CoMo CHDO), a new Job Point subsidiary.

Discussion

In February of 2014, Council authorized the use of HUD Community Housing Development Organization (CHDO) funds by Job Point to construct a new single family home at 602 Florence. As described in the attached letter from Job Point, this project was completed without the use of the allocated CHDO funds. Since completing the work at 602 Florence, Job Point has identified an opportunity to utilize the previously allocated funds on another qualifying project at 1101 Jefferson Street.

In addition to identifying the new project at 1101 Jefferson Street, new HUD regulations required Job Point to form a subsidiary, Columbia Missouri Community Housing Development Organization (CoMo CHDO), that would be solely responsible for its CHDO activities. The attached amendment authorizes the use of the previously allocated funds for the desired new construction at 1101 Jefferson Street by CoMo CHDO.

Environmental and all other project reviews were conducted for the project at 1101 Jefferson Street prior to purchase of the lot by CoMo CHDO. The project meets program guidelines. With the exception of changing what address will receive the previously allocated funds, all other terms of the original 2014 agreement remain the same.

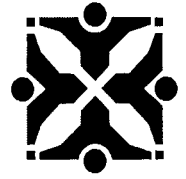
Fiscal Impact

Short-Term Impact: None

Long-Term Impact: None

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Health, Social Services and Affordable Housing

Strategic Plan Impact: Growth Management

Comprehensive Plan Impact: Land Use & Growth Management, Livable & Sustainable Communities

Suggested Council Action

Staff recommends Council approve the amendment to allow the expenditure of the CHDO funding at 1101 Jefferson Street.

Legislative History

2/17/2014 - Council approves CHDO funding agreement for \$34,725 with Job Point to construct single family home at 602 Florence.

Patricia R. Zinner, for JJ
Department Approved

[Signature]
City Manager Approved

Introduced by _____ Council Bill No. R 79-15

A RESOLUTION

authorizing an amendment to the community housing development organization (CHDO) agreement with Columbia Missouri Community Housing Development Organization, successor in interest to Job Point, for the development of property located at 1101 Jefferson Street.

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 amendment to the community housing development organization (CHDO) agreement with Columbia Missouri Community Housing Development Organization, successor in interest to Job Point, for the development of property located at 1101 Jefferson Street. The form and content of the amendment 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
AMENDMENT TO THE JOB POINT AGREEMENT
DATED February 17, 2014 – See Attachment A

This Amendment Agreement made and entered into by and between Columbia Missouri Community Housing Development Organization successor in interest to Job Point, and the City of Columbia, Missouri, a municipal corporation, this _____ day of _____, 2015.

WHEREAS, Job Point is named as Agency in the Agreement dated February 17th, 2014 (Agreement), and

WHEREAS, Columbia Missouri Community Housing Development Organization (CoMoCHDO) is Successor to Job Point and has promised and agreed to assume and fulfill all obligations agreed to by Job Point in the Agreement of February 17, 2014, and comply with all rules and regulations for HOME funding.

NOW, THEREFORE, for valuable consideration received and acknowledged, the parties agree to amend Section 1, paragraph (a) of the Agreement as follows:

- a. City agrees to provide CoMoCHDO \$34,725 HOME funding for the purpose of developing the property at 1101 Jefferson Street, Columbia, Missouri, 65023 (Property) with a single family, owner-occupied housing unit; and providing homeownership assistance to a low to moderate income household purchasing the Property. Funds shall be expended on HOME eligible activities as defined by HOME regulations at 24CFR Part 92.206. The CoMoCHDO shall not use these funds for the purposes of prohibited activities as defined by 24 CFR Part 92.214. The CoMoCHDO shall provide an updated statement of sources and uses of financing to the City upon the obligation of funds for each activity for which HOME funds are obligated.

[SIGNATURE PAGE FOLLOWS]

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:

By: _____
Sheela Amin, City Clerk

APPROVED AS TO FORM:

By: _____
Nancy Thompson, City Counselor

CERTIFICATION: I hereby certify that this contract is within the purpose of the appropriation to which it is to be charged, Account No. 266-4130-532.49.90, and that there is an unencumbered balance to the credit of such appropriation sufficient to pay therefor.

John Blattel, Director of Finance

**Columbia Missouri Community Housing
Development Organization – Successor to
Job Point**

By: _____
Steven A. Smith

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT

THIS AGREEMENT, made and entered into this 17th day of February, 2014, by and between the City of Columbia, Missouri, a municipal corporation (hereinafter, "City") and Job Point, a corporation of the State of Missouri (hereinafter, "Agency"). The period of this agreement ends on the 31st day of December, 2015.

WITNESSETH:

WHEREAS, the City receives HOME Investment Partnership Program (HOME) funds from the U.S. Department of Housing and Urban Development for the purpose of retaining and adding to the supply of affordable housing in the community, and

WHEREAS, 15% of those funds are set aside for use by Community Housing Development Organizations (CHDO) in order to develop, sponsor and/or own affordable housing.

WHEREAS, Agency meets the requirements of CHDO designation as specified by the U.S. Department of Housing and Urban Development and intends to expend its funds on HOME eligible activities as defined in 24 CFR Part 92 (HOME regulations) to produce affordable housing.

NOW, THEREFORE, be it resolved that the City and the Agency agree as follows:

1. Eligible Activities

a. City agrees to provide Agency \$34,725 HOME funding for the purpose of developing the property at 602 Florence with a single family, owner-occupied housing unit; and providing homeownership assistance to a low to moderate income household purchasing the property. Funds shall be expended on HOME eligible activities as defined by HOME regulations at 24 CFR Part 92.206. The Agency shall not use these funds for the purposes of prohibited activities as defined by 24 CFR Part 92.214. The Agency shall provide an updated statement of sources and uses of financing to the City upon the obligation of funds for each activity for which HOME funds are obligated.

b. Payments will be made to the Agency on a regular basis based on periodic estimates of completion of each activity and invoices supporting the statement. No payment shall be made under this agreement until completion of environmental review of activities by the city is completed and a release of funds for activities proposed by the Agency has been obtained from the Department of Housing and Urban Development.

c. The Agency shall satisfactorily demonstrate that they have effective management control of the development and will own, develop and/or sponsor all HOME funded developments. Each project shall meet the subsidy layering requirements as established by the City.

d. All housing activities shall comply with the applicable IECC, meet an HERS rating of 85 as determined by a certified Home Energy Rater, comply with ASHRAE 62.2, and submission of completed City approved HVAC checklist.

2. Performance Measurement: Agency shall use CHDO funding from this agreement, CHDO proceeds available, and other available financing, to construct a minimum of one single family home to benefit owner occupants at or below 80% of the median income. Agency must demonstrate construction has begun by September 1, 2014, or City may require the Agency to repay expended funds and de-obligate the remaining balance under this agreement. This shall be documented by obtaining approved City permits to begin construction.

2. City Recognition: Agency 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.

4. Proceeds from Home Sales: Any proceeds, including payments of principal and interest, return on investment, or other program income resulting from the investment of HOME funds for eligible HOME activities may be retained by the Agency and used for additional HOME eligible activities. Eligible activities may include operating costs defined in 24 CFR Part 92.208, provided that the total amount of HOME proceeds expended for operating costs do not exceed 10% of the appraised value of each HOME funded project. The Agency shall provide a report to the City on the receipt and use of all proceeds including operating costs on an annual basis.

5. The following other Provisions Apply as required by 24 CFR Part 92:

- a. Housing for homeownership shall not exceed the mortgage limits established by Section 203(b) of the National Housing Act. Each family of a homebuyer assisted by the Agency shall qualify as low income as defined by HUD for the HOME program. Each unit shall be initially the principal residence of the homebuyer. The period of affordability of each homebuyer assisted unit is established by 24 CFR Part 92.254(4) and (5). As each housing unit constructed is sold to a low to moderate income buyer, the Agency shall provide a copy of the signed promissory note and recorded deed of trust enforcing the affordability provisions at 24 CFR Part 92.254(4) and (5).
- b. Nondiscrimination and equal opportunity. The Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR part 100 et seq.; Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107; title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d- 2000d-4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1; the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and implementing regulations at 24 CFR part 146; section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title; title II of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq.; 24 CFR part 8; section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135; Executive Order 11246, as amended by Executive Orders 11375, [[Page 41]] 11478, 12086, and 12107 (3 CFR, 1964-1965 Comp., p. 339; 3 CFR, 1966- 1970 Comp., p. 684; 3 CFR, 1966-1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60; Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971- 1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprises); Executive Order 12432 (3 CFR, 1983 Comp., p. 198) (Minority Business Enterprise Development); and Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393 and 3 CFR, 1987 Comp., p. 245) (Women's Business Enterprise). The nondiscrimination provisions of Section 282 of the National Affordable Housing Act of 1982.
- c. Must establish a minority outreach program described at 24 CFR 92.351(b).
- d. Disclosure requirements. 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.).
- e. Debarred, suspended or ineligible contractors. The prohibitions at 24 CFR part 24 on the use of debarred, suspended or ineligible contractors.
- f. Drug-Free Workplace. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.) and HUD's implementing regulations at 24 CFR part 24.
- g. Shall provide an annual audit to the City conducted by an independent certified CPA.
- h. Lead-Based Paint requirements at 24 CFR Part 35 and State of Missouri Lead Paint regulations at 19 CSR 30-70.110 - 640.
- i. Flood insurance requirements at 92.358.

- j. The Agency shall certify to the city that HOME funds do not provide more than 50% of its annual operating budget during the year in which funds are provided.

6. Records and Reports

- a. The Agency shall provide all information needed for compliance monitoring purposes by the City or the U.S. Department of Housing and Urban Development. Agency shall permit City to inspect all assisted housing to ensure compliance with required property standards.
- b. Upon the sale of each property, the Agency shall provide a copy of the closing statement and completion report to the City;
- c. Agency shall retain all records pertinent to the HOME program described at 92.508 (3) (4) vi-viii, (7) (i) (A) & (B), and (ii) - (viii) and allow access to such records upon request and during monitoring visits.

7. Reversion of Assets

Upon expiration of this agreement, the Agency must transfer to the City any HOME funds on hand at the time of expiration and any accounts receivable attributable to the use of HOME funds.

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

ATTEST:

CITY OF COLUMBIA, MISSOURI

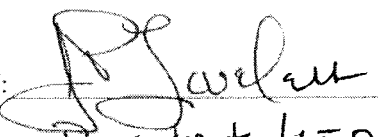
BY:  2/20/14
Sheela Amin, City Clerk


Mike Matthes, City Manager



APPROVED AS TO FORM:


Nancy Thompson, City Counselor

JOB POINT

BY: 
Title: President / CEO

CERTIFICATION: I hereby certify that this agreement is within the purpose of the appropriation to which it is to be charged, Account No. 266-4130-532.49.90, G44030, 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:

Letter requesting use of funds at 1101 Jefferson Street

April 27, 2015

Randy Cole, Housing Programs Supervisor
Eric Hempel, Housing Specialist
Community Planning and Development
701 E. Broadway
P.O. Box 6015
Columbia, Missouri 65201

Dear Mr. Cole and Mr. Hempel:

In February 2014, Job Point received \$34,725 in HOME funding for developing the property at 602 Florence in Columbia, Missouri to build a single family, owner-occupied housing unit. These funds were approved to be expended on HOME eligible activities as defined by HOME regulations at 24 CFR Part 92.206. Job Point was able to build a 3-bedroom, 2 bath, single-family home at the above-referenced address through the use of Job Point/CoMo Community Housing Development Organization (CHDO) proceeds from previous CHDO activities conducted by the company and other financial resources. This home was completed and sold in September 2014 to a first-time, low- to moderate-income homebuyer with the financial support of down payment assistance through the City of Columbia's Community Planning and Development Department. The \$34,725 in HOME funding received by Job Point/CoMo CHDO was not expended on this property.

Job Point has now shifted all housing activities to the CoMo CHDO. CoMo CHDO would like to request to transfer the \$34,725 of unexpended funds from 602 Florence to a current CHDO-eligible property being developed by CoMo CHDO at 1101 Jefferson Street in Columbia, Missouri. These funds will be utilized to assist in covering construction and development costs on this home. The home at this address will be a 3-bedroom, 2 bath home with a one-car attached garage with approximately 1,200 square feet of living space. CoMo CHDO also like to request the City of Columbia Community Planning and Development Department to provide up to \$30,000 in down payment assistance to a qualified buyer of the home at 1101 Jefferson Street.

We thank you for your continued support of CoMo CHDO's affordable housing efforts in Columbia, Missouri. If you should have any questions or need any further explanation, please do not hesitate to contact either Brian Shannon at 573-825-3841 or Gary Taylor at 573-819-1339.

Sincerely,

A handwritten signature in black ink, appearing to read "David Thayer", written in a cursive style.

David Thayer, Chairperson
CoMo CHDO