Introduced by	Cou	uncil Bill No	R 39-13
	A RESOLUTIO	ıNı	
	A RESOLUTIO	VIN	
participation with located at 105 Ly City Manager t	using site demolition a the Columbia Housin on Street and 700 Oa to file a finding of City Manager to reque	g Authority for pak Street; authorion of significan	properties prizing the t impact;
BE IT RESOLVED BY THE C FOLLOWS:	OUNCIL OF THE C	ITY OF COLU	IMBIA, MISSOURI, AS
SECTION 1. The City demolition and re-use agreement properties located at 105 Lynnagreement shall be substantial part hereof as fully as if set for	ent of participation win Street and 700 Oak ly as set forth in "Attac	th the Columbi Street. The f	ia Housing Authority for form and content of the
SECTION 2. The City Nand Urban Development (HUE			
SECTION 3. The City CDBG funds.	Manager is authorize	ed to request t	he release of FY 2012
ADOPTED this	day of		, 2013.
ATTEST:			
City Clerk		yor and Presid	ing Officer
APPROVED AS TO FORM:			
City Counselor			

# ATTACHMENT A: HOUSING SITE DEMOLITION AND RE-USE AGREEMENT OF PARTICIPATION

THIS AGREEMENT made and entered into this _	day of	, 20_	, between
the City of Columbia, Missouri, a Municipal Corporation of t	the State of Missouri,	County of Boone (he	reinafter
referred to as the "City"), and Columbia Housing authority	y, a Municipal Corpo	oration of the State o	f Missouri,
hereinafter referred to as "Owner").			

#### WITNESSETH:

**WHEREAS**, City has received a Community Development Block Grant which provides funds for the removal of vacant residential structures; and

**WHEREAS**, Owner owns certain real estate located in the City of Columbia, County of Boone, State of Missouri, known as:

The East Fifty (50) feet of Lot Nine (9) in John A. Stewart's Subdivision of Lots Twenty-nine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri, and,

Sixty (60) feet off the south end of Lots Four (4) and Five (5) in John A. Stewart's Subdivision of Lots Twenty-nine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

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

**NOW, THEREFORE,** in consideration of the mutual covenants herein, the sufficiency of which is hereby acknowledged, the Owner and the City agree as follows:

#### Section 1 - Obligations of City

- a. Scope of Work: Upon execution of this agreement, the City agrees to pay for the following scope of work:
  - i. Removal of all remaining structures on the property and disposal of all debris;
  - ii. Grading and seeding to meet City code requirements;
  - iii. Tree removal and disposal
  - iv. Capping and repairing sewer service line; repair of the sewer tap, and street pavement repair.
- b. **Contractor Procurement:** Owners have selected demolition contractor for an agreed upon price of \$14,900. The bid and scope of work is attached to and incorporated herein. The Owners shall be reimbursed only for additional demolition associated costs approved by City staff.
- c. Payment to Owner: Upon completion of demolition activities and execution of a promissory note and deed of trust by the owner, the Owner shall submit a list of completed activities with invoices to the City. The City shall reimburse the owner for all eligible costs within 10 days of receipt of invoices. Eligible costs include the items listed in Section 1(a).

#### Section 2 - Representations, Covenants and Obligations of Owner

- a. **Owner represents and covenants** that Owner is the owner in fee simple of the real estate described above and referred to as the "Property".
- b. Owner represents and covenants that the Property is not subject to any liens or other encumbrances.
- c. Owner represents and covenants that the Property is not occupied and will remain unoccupied prior to redevelopment.
- d. Owner agrees to remove all structures on the Property. The owner must begin removal activities within one hundred twenty (120) days after the signing of this Agreement and shall complete work within two hundred ten (210) days of signing this agreement unless removal activities are delayed by circumstances

beyond owner's control. The Owner shall make reasonable efforts to ensure that said work is prosecuted regularly, diligently and uninterruptedly at a reasonable rate of progress. Demolition activity will include notification of all utilities, disconnection of utilities, hazardous waste evaluation and removal, capping the sewer service line, demolition, appropriate disposal of all debris, grading to a rough finish, reseeding, and required erosion control during the project.

- e. Owner hereby grants to the City, its agents and designees, including all contractors and subcontractors designated by the City, the right of complete access to the Property through the completion of the demolition.
- f. If the Owner or a successor sells, transfers, exchanges or encumbers the Property at any time during the term of this Agreement, the Owner 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. 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.
- g. The Owner and all successors shall notify the City in writing of any sale, transfer, exchange or encumbrance of the Property during the term of this Agreement.
- h. Owner agrees that prior to the payment of removal costs, the Owner will sign a promissory note, attached as Exhibit D and Exhibit E, for the full cost of demolition, including all activities cited in this section, and sign a deed of trust in the name of the City. The City will pay for 100% of the cost outlined in Section 1(a) of this agreement, pursuant to the terms of a Promissory Note between the City and the Owner.
- i. The Owner and Owner's successors and assigns agree to abide by all terms, conditions and obligations of the Community Development Block Grant through which the removal funds are being obtained.
- j. Site Re-use: Owner agrees that prior to the payment of demolition costs, the Owner will sign a promissory note for the full cost of demolition, including all activities cited in this section, and sign a deed of trust in the name of the City. Refusal to sign these documents shall be considered grounds for termination of this agreement. The promissory note states that the City shall forgive the entire demolition loan amount provided to the Owner, upon construction of an affordable housing unit on the property, 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.

#### Section 3 - Term of Agreement

This Agreement and the covenants, restrictions and obligations shall terminate upon release of the deed of trust and promissory note by the City that was signed pursuant to this agreement.

#### Section 4 - Termination of City's Obligations Under Agreement

In the event that any of the provisions of this Agreement are violated by the Owner or the Owner's successor or assign, the City may serve written notice upon the Owner of its intention to terminate its obligations under this Agreement, and unless within ten (10) days after service of such notice upon the Owner, such violation shall cease and satisfactory arrangement of correction be made, the City's obligations under this Agreement shall, upon the expiration of said ten (10) days, cease and terminate and the City shall have no further obligations hereunder and all amounts due under the promissory note shall be due payable.

#### Section 5 - Miscellaneous

- a. This contract shall be binding upon the parties, their heirs, successors or assigns.
- b. If any portion, section, subsection, sentence, clause, paragraph or phrase of this Agreement is for any reason held invalid or unconstitutional by a Court of competent jurisdiction, such decision shall not affect the validity of the remaining portion of this Agreement.
- c. The action or inaction of the City or the Owner shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing signed by the

parties and approved by written resolution of the City Council. The failure of either party to promptly take legal action to enforce this Agreement shall not be a waiver or release.

d. The captions and headings of this Agreement are for convenience and reference only, and shall not control or affect the meaning or construction of this Agreement.

#### Section 6 - Applicable Federal Regulations:

- 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 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 Owner 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 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.
- e) 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.
- f) Upon finding that the Owner materially fails to comply with any term of this Agreement, the Owner can be required to repay CDBG demolition funds, and future CDBG funding may be denied.
- g) The Owner shall comply with the conflict of interest provisions of HUD regulations at Title 24 570.611, which governs the procurement of supplies and contracts and the provision of services to clients with the use of CDBG funds. The provisions cover services provided for, or by, persons who are employees, agents, or elected officials of the City of Columbia.
- h) The Owner agrees to not use debarred, suspended or ineligible contractors as defined by 24 CFR Part 92.350 (a).
- i) The Owner agrees to provide a copy of its annual financial audit to the City, which covers the use of CDBG funds expended under this agreement.

#### Section 7 - Notices

Required notices to the Owner(s) shall be in writing and shall be either hand delivered to the Owner(s), their employees or agents or mailed to the Owner(s) by certified mail at the following address:

## 201 Switzler Columbia, MO 65203

Notice to Owner shall be complete upon hand delivery or upon mailing.

Required notices to the City shall be in writing and shall be either hand delivered to the Director of Community Development or delivered by certified mail at the following address:

City of Columbia P.O. Box 6015, 701 E. Broadway Columbia, MO 65205-6015

# **ATTN: Community Development Department**

Notice to the City shall be complete upon receipt by the Director of Community Development.

The City and Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices or certificates or other communication shall be sent.

**IN WITNESS WHEREOF**, the parties to these presents have executed this Agreement in three (3) counterparts, each of which shall be deemed the original.

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CITY OF COLUMBIA, MI	SSOURI	OWNERS	
By:Mike Matthes, City Ma		Phil Steinhaus	
wrike matines, City ma	nager	Fini Stenmaus	
Date:	<del>-</del>	Columbia Housing Authority	
ATTEST:	,	Date:	
Sheela Amin, City Clerk	· ·		
Date	_		
APPROVED AS TO FORM	1 .		
City Counselor			
t t	hereby certify that this co o be charged, Account No here is an unencumbered be herefor.	entract is within the purpose of the appropriation to which and alance to the credit of such appropriation sufficient to particle.	ı it is 1 tha ıy
		John Blattel, Director of Finance	

## Exhibit D PROMISSORY NOTE

Project No.

B-12-MC-29-0001

Place: Columbia, Boone County, Missouri

Loan No.

D2012-1

Date:

Loan Amount:

\$6,800.00

For value received, we, the undersigned, Columbia Housing Authority of the City of Columbia, a municipal corporation of the state of Missouri, owner of property located at 105 Lynn Street, Columbia, Missouri 65203, (hereinafter called Owner), whose address is 201 Switzler Street, Columbia, MO 65203, promise to pay to the order of the City of Columbia, hereinafter called City, the sum of Six Thousand Eight Hundred Dollars and NO/100 Dollars (\$6,800.00) without interest, payable in full, should development of the property for affordable housing use not occur as required in the Housing Site Demolition and Re-Use Agreement of Participation dated \_\_\_\_\_\_\_\_\_, 2013; or upon the sale, conveyance or exchange of the real estate described above. Should development of this property for affordable housing occur as required by the Housing Site Demolition and Re-Use Agreement of Participation dated \_\_\_\_\_\_\_\_\_, 2013, this note shall be automatically and completely forgiven. The loan, evidenced by this Note, is being made pursuant to Title I of the Housing and Community Development Act of 1974 with regulations at 24 CFR Part 570. Value received includes removal of blight and real property improvements at the above stated address, which is the following described real property:

The East Fifty (50) feet of Lot Nine (9) in John A. Stewart's Subdivision of Lots Twentynine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

Subject to easements, restrictions, reservations, and covenants of record, if any.

The owner may, at any time, pay the full amount of the loan in order to discharge the indebtedness evidenced by this note and obtain a release of the deed of trust securing this note. This note shall be due and payable in full upon breach of any of the obligations of Section 2 of the Housing Site Demolition and Re-Use Agreement of Participation, dated \_\_\_\_\_\_.

The owner agrees that, if the City has not received the full amount of payment by the end of 90 calendar days after the date it is due, the Owner will pay a late charge to the City. The amount will be 3% of the overdue payment. If the Owner does not pay the full amount of the payment within 90 days of the date it is due, the Owner will be in default. If the Owner is in default, the City may send the Owner a written notice telling the Owner that if the overdue payment is not made by a certain date, the City may require immediate repayment of the full amount of the note which has not been repaid. That date must be at least 30 days after the date on which the notice is delivered or mailed to the Owner. Even if, at a time when the Owner is in default the City does not require the Owner to pay immediately in full as described above, the City will still have the right to do so if the Owner is in default at a later time. If the City has required the Owner to pay immediately in full as described above, the City will have the right to be paid back by the Owner for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses may include reasonable attorney's fees.

Any notice that must be given to the Owner under this Note will be given by delivering it or by mailing it to the Owner at the Property Address above or at a different address if the Owner gives the City a notice of a different address.

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note. Any person, who is the guarantor, surety or endorser of this Note, is also obligated in the same manner as the Owner. Any person, who takes over these obligations, including the obligations of a guarantor, surety, or endorser of this Note, is also obligated to keep all of the promises of this Note. The City may enforce its rights under this Note against each person individually or against the parties as one. Any one individual considered obligated as indicated above may be required to pay all of the amounts owed under this note.

This note is secured by a Deed of Trust of even date.

Calumbia Haugin	a Authority
Columbia Housin	2 Aumonio

Borrower:		
	Phil Steinhaus, CEO	

#### **DEED OF TRUST**

THIS DEED, made and entered into as of the \_\_\_\_\_\_ day of February, 2013, by and between Columbia Housing Authority of the City of Columbia, a municipal corporation of the State of Missouri, (Grantor), of the City of Columbia, State of Missouri, hereinafter called Party of the First Part and Cavanaugh Noce (Trustee), Party of the Second Part, and the City of Columbia, State of Missouri, a municipal corporation (Grantee), whose address is P.O. Box 6015, Columbia, Mo, 65205-6015, Columbia, State of Missouri, Party of the Third Part.

WITNESSETH: That the said Party of the First Part, for and in consideration of the debt and trust hereinafter described and created, and the sum of One Dollar to said Party of the First Part paid by the Said Party of the Second Part, the receipt of which is hereby acknowledged, do by these presents GRANT, BARGAIN, AND SELL, CONVEY AND CONFIRM unto the said Party of the Second Part, the following described Real Estate situated in the City of Columbia and State of Missouri, to-wit:

The East Fifty (50) feet of Lot Nine (9) in John A. Stewart's Subdivision of Lots Twentynine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventytwo (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

Subject to easements, restrictions, reservations, and covenants of record, if any.

together with all rights, interests, easements, hereditaments and appurtenances thereunto belong, the rents, issues and profits thereof and revenues and income therefrom, all buildings, improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to all heating, plumbing, bathroom, lighting, cooking, laundry, ventilating, refrigerating, incinerating and air-conditioning equipment and fixtures and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land, buildings or structures in any manner.

TO HAVE AND TO HOLD the above described property, as now or hereafter existing, unto the said Party of the Second Part and to his successor, successors, heirs in this Trust forever and possession of said property and premises is not delivered unto said Party of the Second Part, including the right to collect rents and other revenues as hereinafter set forth.

IN TRUST, however, for the following purposes: WHEREAS, the said Party of the First Part, being justly indebted to the Party of the Third Part for money in the principal sum of **Six Thousand Eight Hundred Dollars and NO/100 Dollars (\$6,800.00)** has to secure said principal and interest to be earned thereon, executed and delivered to the Party of the Third Part, promissory note or notes of even date herewith, expressed to be for value received, drawn to the order of the Party of the Third Part.

TO SECURE the payment of promissory note or notes on file with the Department of Planning and Development, City of Columbia, the party of the First Part has executed this Deed of Trust, and has also agreed with said Third Party, endorsees and assigns, to cause all taxes and assessments, general and special, to be paid whenever imposed upon said property, and before becoming delinquent; and also to keep the improvements upon said premises constantly and satisfactorily insured, until said note is fully paid, against fire and extended coverage, in the full amount of this Deed of Trust, and to carry such other insurance and in such companies as holder of said note may require, and the policies therefore to keep constantly assigned unto the said Party of the Second Part and deposited with the party of the Third Part for further securing the payment of said note, and the proceeds thereof apply towards the payment of said note. The holder of said note is hereby given the privilege and authority to make proof of loss and adjust and collect insurance. The trustee may assign policies to purchaser at foreclosure, and owner shall not be entitled to unearned premiums. And the said party of the First Part hereby guarantees to the said Party of the Third Part, that the said property herein described is free and clear of mechanics' liens; and said Party of the First Part further agrees that, in case any liens should hereafter be filed against said property, then said liens so filed shall have the same force and effect as if any installment of said note, hereinbefore described, shall have become due and payable, and all the covenants and agreements herein provided shall be in full force and effect, and carried out as if said note were actually in default. Party of the First Part also agrees promptly to pay when due all notes; and to perform all covenants, in any deed of trust prior in lien to these presents. It shall be the privilege of said Party of the Third Part, and assigns, in case of default on the part of the Party of the First Part or assigns to promptly pay all taxes, effect insurance, remove mechanics' liens and pay prior notes, as above herein provided, to pay such taxes, insurance and mechanics' liens, or notes of any prior deed of trust, and in the event that the said Party of the Third Part, assigns or legal representatives, or the Party of the Second Part, or his successors in trust, shall expend any money to protect the title or possession of said premises, or for such taxes, insurance, mechanics' liens, or notes, than all money so expended shall be a new and additional principal sum of money secured by this instrument, and shall be payable on demand, and may be collected with interest thereon at the rate of six per centum per annum, from the time of so expending the same.

THE said Party of the First Part hereby appoints the said Party of the Second Part a true and lawful attorney in fact to manage said property and collect the rents, with full power to bring suit for collection of said rents and possessions of said property. Giving and granting unto the said Party of the Second Part and unto his agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done; provided, however, that this power of attorney and assignment of rents shall not be construed as an obligation upon said Party of the Second Part to make to cause to be made, any repairs that may be needed and necessary. The said Party of the Second Part shall receive the proceeds of the rents and profits and said premises, out of which he shall pay: FIRST: Reasonable charges for collection of said rents, costs of necessary repairs and other costs requisite and necessary during the continuance of this power of attorney and assignment of rents; NEXT: General and Special Tax and accrued principal and interest under prior deed of trust due and remaining unpaid, and the remainder, if any, he shall apply toward the payment of the note herein mentioned as it falls due. This power of attorney and assignment of rents shall be irrevocable until this deed of trust has been satisfied and released of record and the releasing of this deed of trust shall act as a revocation of this power of attorney and assignment of rents. This power of attorney to collect rents shall not take effect until and unless default is made in the payment of principal or interest notes secured hereby or any extension thereof, or default in performance of any covenant in this deed contained, and shall continue only during such default or any subsequent default.

SAID Party of the First Part hereby covenants to keep all the buildings now or hereafter on said premises, in good repair and in tenant able condition, without any liability of the Party of the Third Part to

any person for damages, for failure to repair; nor for any mechanics' lien therefore, and upon the actual or threatened demolition or removal of any of the buildings on said premises, or the completed condemnation of lot or buildings for streets or otherwise, the whole principal sum shall at the option of the Party of the Third Part, at once, become due and payable. Any amounts awarded in condemnation proceedings or taking the property herein described or any part thereof, shall be paid to said Party of the Third Part, to be applied on the indebtedness hereby secured, and, that at the option of the Party of the Third Part, upon transfer of possession or title to said premises, the whole unpaid principal sum shall, at once, become due and payable.

IT having been agreed between the parties hereto, that when any installment of said note, or any note secured by any prior deed of trust, whether of interest or principal, after having become due and payable, shall remain unpaid, or upon default of any condition set out in the promissory note, then the entire unpaid balance of said note herein described shall, at the option of the holder thereof, become due and payable, at once, whether due on its face or not.

WITHOUT the written consent of the Third Party, no security interest will be created or suffered to be created under the provisions of the Missouri Uniform Commercial Code, as same, together with any amendments or supplements thereto, may be in effect, with respect to any goods fixtures equipment, appliances, or articles of personal property now attached to or used or hereafter attached to or used in connection with the premises.

NOW THEREFORE, if the said Party of the First Part, or legal representatives or assigns, shall well and truly pay, or cause to be paid, unto the holder thereof, respectfully, the said promissory note above mentioned and all installments thereof, at maturity thereof, respectively, according to the tenor of the same, and shall well and truly keep and perform all and singular the several covenants and agreements hereinbefore set forth, then this trust shall cease and be void, and the property hereinbefore conveyed shall be released at the cost of the said Party of the First Part; but if said note, or any part thereof or any note or part thereof secured by any prior deed of trust, be not so paid at maturity, according to the tenor of the same, or if said taxes, general and special, or insurance premiums be not promptly paid when due and mechanics' liens released, or if default be made in due fulfillment of said covenants and agreements, or if any of them, then this conveyance shall remain in force, and said Party of the Second Part, or in case of his death, or disability, or his or its neglect or refusal to act, then the sheriff of Boone County as successors in trust, or in the case of his inability to act, then a successor appointed by the holder of the note, or, if none be so appointed then a successor by the Circuit Court, may, at the request of the legal holder of the note secured hereby, proceed to sell the property hereinbefore conveyed, or any part thereof, at public venue or out-cry at the south front door of the Court House in Columbia, in the County of Boone, and State of Missouri, to the highest bidder for cash, first giving notice required by the laws of Missouri in respect to exercising power of sale under mortgage and deeds of trust then in effect; and upon such sale shall execute a deed in fee simple of the property sold, to purchaser or purchasers thereof, and shall receive the proceeds of such sale, out of which said trustee shall pay, first the cost and expense of executing this Trust, including lawful compensation of said Trustee; and next, shall repay any person and persons who may or shall, under the covenants herein before set forth, have advanced or paid any money for taxes, mechanics' liens, insurance or prior notes, as above provided, all sums so by said persons advanced and not already repaid, together with interest thereon at the rate of six per centum per annum from the date of such advance, till day of payment; and, next, the amount unpaid on the note secured hereby, together with the interest accrued thereon, and next the amount due on junior encumbrances, and the balance to the Party of the First Part, assigns, or legal representatives. And each time that it shall become necessary to insert an advertisement for foreclosure and sale if not had, then the trustee shall be entitled to receive the amount of all advertising charges from the Party of the First Part.

AND the said Party of the Second Part hereby lets said premises to the said Party of the First Part until this instrument be released and satisfied, or until default be made in payment or performance of covenants of this Deed of Trust, upon the following terms, to-wit: The said Party of the First Part, and every and all persons claiming or possessing such premises or any part thereof, shall pay rent therefore during said term at one percent per month, payable upon demand and shall and will surrender peaceable

possession of said premises, and any and every part thereof to said Party of the Second Part, immediately upon such default and without notice or demand therefore, and said trustee may thereupon rent the same for account of the holders of the note, until foreclosure is had and during any proceedings to redeem and then deliver possession to the purchaser of trustee's sale.

PROVIDED, however, that nothing in this Deed shall be construed as to prevent the legal holder of said note, to have and to take every legal step and means to enforce payment of said note, without having first caused the execution of the Trust herein created.

AND the said Party of the Second Part covenants faithfully to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct.

WHENEVER in this instrument the expression "First Party", "Second Party", or "Third Party", appears, it shall be held in each case to refer to and include the person or persons, singular or plural, natural or artificial, described in the premises of this deed, and the covenants and agreements herein above contained shall bind and inure to the benefit of, respectively, the heirs, assigns, successors and legal representatives of said "First Party", and any legally appointed successor of said "Second Party", and the endorsees, assigns and legal representatives of said "Third Party".

IN WITNESS WHEREOF, said party of the first part has executed these presents as of the day and year first above written.

and year first above written.	
	Columbia Housing Authority
	) SS DONE ) appeared day of, 2013, before me personally appeared to me personally known, who, being by me duly sworn, did say that he is the Chief er of Columbia Housing Authority, a municipal corporation of the State of Missouri, by Board of Directors, and said Chief Executive Officer acknowledged said instrument to be
STATE OF MISSOURI )	
COUNTY OF BOONE )	
Phil Steinhaus, to me personally known, who, Executive Officer of Columbia Housing Authori	being by me duly sworn, did say that he is the Chief ty, a municipal corporation of the State of Missouri, by
IN TESTIMONY WHEREOF, I have he office, the day and year first above written.	ereunto set my hand and affixed my official seal at my
My Commission Expires:	Notary Public State of Missouri

# Exhibit E PROMISSORY NOTE

Project No.

B-12-MC-29-0001

Place: Columbia, Boone County, Missouri

Loan No.

D2012-2

Date:

Loan Amount:

\$8,100.00

For value received, we, the undersigned, Columbia Housing Authority of the City of Columbia, a municipal corporation of the state of Missouri, owner of property located at 105 Lynn Street, Columbia, Missouri 65203, (hereinafter called Owner), whose address is 201 Switzler Street, Columbia, MO 65203, promise to pay to the order of the City of Columbia, hereinafter called City, the sum of **Eight Thousand One Hundred Dollars and NO/100 Dollars (\$8,100.00)** without interest, payable in full, should development of the property for affordable housing use not occur as required in the Housing Site Demolition and Re-Use Agreement of Participation dated \_\_\_\_\_\_\_\_\_, 2013; or upon the sale, conveyance or exchange of the real estate described above. Should development of this property for affordable housing occur as required by the Housing Site Demolition and Re-Use Agreement of Participation dated \_\_\_\_\_\_\_\_\_, 2013, this note shall be automatically and completely forgiven. The loan, evidenced by this Note, is being made pursuant to Title I of the Housing and Community Development Act of 1974 with regulations at 24 CFR Part 570. Value received includes removal of blight and real property improvements at the above stated address, which is the following described real property:

Sixty (60) feet off the south end of Lots Four (4) and Five (5) in John A. Stewart's Subdivision of Lots Twenty-nine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

Subject to easements, restrictions, reservations, and covenants of record, if any.

The owner may, at any time, pay the full amount of the loan in order to discharge the indebtedness evidenced by this note and obtain a release of the deed of trust securing this note. This note shall be due and payable in full upon breach of any of the obligations of Section 2 of the Housing Site Demolition and Re-Use Agreement of Participation, dated

The owner agrees that, if the City has not received the full amount of payment by the end of 90 calendar days after the date it is due, the Owner will pay a late charge to the City. The amount will be 3% of the overdue payment. If the Owner does not pay the full amount of the payment within 90 days of the date it is due, the Owner will be in default. If the Owner is in default, the City may send the Owner a written notice telling the Owner that if the overdue payment is not made by a certain date, the City may require immediate repayment of the full amount of the note which has not been repaid. That date must be at least 30 days after the date on which the notice is delivered or mailed to the Owner. Even if, at a time when the Owner is in default the City does not require the Owner to pay immediately in full as described above, the City will still have the right to do so if the Owner is in default at a later time. If the City has required the Owner to pay immediately in full as described above, the City will have the right to be paid back by the Owner for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses may include reasonable attorney's fees.

Any notice that must be given to the Owner under this Note will be given by delivering it or by mailing it to the Owner at the Property Address above or at a different address if the Owner gives the City a notice of a different address.

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note. Any person, who is the guarantor, surety or endorser of this Note, is also obligated in the same manner as the Owner. Any person, who takes over these obligations, including the obligations of a guarantor, surety, or endorser of this Note, is also obligated to keep all of the promises of this Note. The City may enforce its rights under this Note against each person individually or against the parties as one. Any one individual considered obligated as indicated above may be required to pay all of the amounts owed under this note.

This note is secured by a Deed of Trust of even date.

Columbia Housing Authority	
Borrower:	
Phil Steinhaus, CEO	

#### **DEED OF TRUST**

THIS DEED, made and entered into as of the \_\_\_\_\_\_ day of February, 2013, by and between Columbia Housing Authority of the City of Columbia, a municipal corporation of the State of Missouri, (Grantor), of the City of Columbia, State of Missouri, hereinafter called Party of the First Part and Cavanaugh Noce (Trustee), Party of the Second Part, and the City of Columbia, State of Missouri, a municipal corporation (Grantee), whose address is P.O. Box 6015, Columbia, Mo, 65205-6015, Columbia, State of Missouri, Party of the Third Part.

WITNESSETH: That the said Party of the First Part, for and in consideration of the debt and trust hereinafter described and created, and the sum of One Dollar to said Party of the First Part paid by the Said Party of the Second Part, the receipt of which is hereby acknowledged, do by these presents GRANT, BARGAIN, AND SELL, CONVEY AND CONFIRM unto the said Party of the Second Part, the following described Real Estate situated in the City of Columbia and State of Missouri, to-wit:

Sixty (60) feet off the south end of Lots Four (4) and Five (5) in John A. Stewart's Subdivision of Lots Twenty-nine (29) and Thirty-two (32) of Garth's Subdivision of Lots Forty-nine (49) to Seventy-two (72), both inclusive, of Garth's Addition to the City of Columbia, Boone County, Missouri, as shown by the plat thereof recorded in Plat Book 1, Page 21, Records of Boone County, Missouri.

Subject to easements, restrictions, reservations, and covenants of record, if any.

together with all rights, interests, easements, hereditaments and appurtenances thereunto belong, the rents, issues and profits thereof and revenues and income therefrom, all buildings, improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, including, but not limited to all heating, plumbing, bathroom, lighting, cooking, laundry, ventilating, refrigerating, incinerating and air-conditioning equipment and fixtures and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land, buildings or structures in any manner.

TO HAVE AND TO HOLD the above described property, as now or hereafter existing, unto the said Party of the Second Part and to his successor, successors, heirs in this Trust forever and possession of said property and premises is not delivered unto said Party of the Second Part, including the right to collect rents and other revenues as hereinafter set forth.

IN TRUST, however, for the following purposes: WHEREAS, the said Party of the First Part, being justly indebted to the Party of the Third Part for money in the principal sum of **Eight Thousand One Hundred Dollars and NO/100 Dollars (\$8,100.00)** has to secure said principal and interest to be earned thereon, executed and delivered to the Party of the Third Part, promissory note or notes of even date herewith, expressed to be for value received, drawn to the order of the Party of the Third Part.

TO SECURE the payment of promissory note or notes on file with the Department of Planning and Development, City of Columbia, the party of the First Part has executed this Deed of Trust, and has also agreed with said Third Party, endorsees and assigns, to cause all taxes and assessments, general and special, to be paid whenever imposed upon said property, and before becoming delinquent; and also to keep the improvements upon said premises constantly and satisfactorily insured, until said note is fully paid, against fire and extended coverage, in the full amount of this Deed of Trust, and to carry such other insurance and in such companies as holder of said note may require, and the policies therefore to keep constantly assigned unto the said Party of the Second Part and deposited with the party of the Third Part for further securing the payment of said note, and the proceeds thereof apply towards the payment of said note. The holder of said note is hereby given the privilege and authority to make proof of loss and adjust and collect insurance. The trustee may assign policies to purchaser at foreclosure, and owner shall not be entitled to unearned premiums. And the said party of the First Part hereby guarantees to the said Party of the Third Part, that the said property herein described is free and clear of mechanics' liens; and said Party of the First Part further agrees that, in case any liens should hereafter be filed against said property, then said liens so filed shall have the same force and effect as if any installment of said note, hereinbefore described, shall have become due and payable, and all the covenants and agreements herein provided shall be in full force and effect, and carried out as if said note were actually in default. Party of the First Part also agrees promptly to pay when due all notes; and to perform all covenants, in any deed of trust prior in lien to these presents. It shall be the privilege of said Party of the Third Part, and assigns, in case of default on the part of the Party of the First Part or assigns to promptly pay all taxes, effect insurance, remove mechanics' liens and pay prior notes, as above herein provided, to pay such taxes, insurance and mechanics' liens, or notes of any prior deed of trust, and in the event that the said Party of the Third Part, assigns or legal representatives, or the Party of the Second Part, or his successors in trust, shall expend any money to protect the title or possession of said premises, or for such taxes, insurance, mechanics' liens, or notes, than all money so expended shall be a new and additional principal sum of money secured by this instrument, and shall be payable on demand, and may be collected with interest thereon at the rate of six per centum per annum, from the time of so expending the same.

THE said Party of the First Part hereby appoints the said Party of the Second Part a true and lawful attorney in fact to manage said property and collect the rents, with full power to bring suit for collection of said rents and possessions of said property. Giving and granting unto the said Party of the Second Part and unto his agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done; provided, however, that this power of attorney and assignment of rents shall not be construed as an obligation upon said Party of the Second Part to make to cause to be made, any repairs that may be needed and necessary. The said Party of the Second Part shall receive the proceeds of the rents and profits and said premises, out of which he shall pay: FIRST: Reasonable charges for collection of said rents, costs of necessary repairs and other costs requisite and necessary during the continuance of this power of attorney and assignment of rents; NEXT: General and Special Tax and accrued principal and interest under prior deed of trust due and remaining unpaid, and the remainder, if any, he shall apply toward the payment of the note herein mentioned as it falls due. This power of attorney and assignment of rents shall be irrevocable until this deed of trust has been satisfied and released of record and the releasing of this deed of trust shall act as a revocation of this power of attorney and assignment of rents. This power of attorney to collect rents shall not take effect until and unless default is made in the payment of principal or interest notes secured hereby or any extension thereof, or default in performance of any covenant in this deed contained, and shall continue only during such default or any subsequent default.

SAID Party of the First Part hereby covenants to keep all the buildings now or hereafter on said premises, in good repair and in tenant able condition, without any liability of the Party of the Third Part to

any person for damages, for failure to repair; nor for any mechanics' lien therefore, and upon the actual or threatened demolition or removal of any of the buildings on said premises, or the completed condemnation of lot or buildings for streets or otherwise, the whole principal sum shall at the option of the Party of the Third Part, at once, become due and payable. Any amounts awarded in condemnation proceedings or taking the property herein described or any part thereof, shall be paid to said Party of the Third Part, to be applied on the indebtedness hereby secured, and, that at the option of the Party of the Third Part, upon transfer of possession or title to said premises, the whole unpaid principal sum shall, at once, become due and payable.

IT having been agreed between the parties hereto, that when any installment of said note, or any note secured by any prior deed of trust, whether of interest or principal, after having become due and payable, shall remain unpaid, or upon default of any condition set out in the promissory note, then the entire unpaid balance of said note herein described shall, at the option of the holder thereof, become due and payable, at once, whether due on its face or not.

WITHOUT the written consent of the Third Party, no security interest will be created or suffered to be created under the provisions of the Missouri Uniform Commercial Code, as same, together with any amendments or supplements thereto, may be in effect, with respect to any goods fixtures equipment, appliances, or articles of personal property now attached to or used or hereafter attached to or used in connection with the premises.

NOW THEREFORE, if the said Party of the First Part, or legal representatives or assigns, shall well and truly pay, or cause to be paid, unto the holder thereof, respectfully, the said promissory note above mentioned and all installments thereof, at maturity thereof, respectively, according to the tenor of the same, and shall well and truly keep and perform all and singular the several covenants and agreements hereinbefore set forth, then this trust shall cease and be void, and the property hereinbefore conveyed shall be released at the cost of the said Party of the First Part; but if said note, or any part thereof or any note or part thereof secured by any prior deed of trust, be not so paid at maturity, according to the tenor of the same, or if said taxes, general and special, or insurance premiums be not promptly paid when due and mechanics' liens released, or if default be made in due fulfillment of said covenants and agreements, or if any of them, then this conveyance shall remain in force, and said Party of the Second Part, or in case of his death, or disability, or his or its neglect or refusal to act, then the sheriff of Boone County as successors in trust, or in the case of his inability to act, then a successor appointed by the holder of the note, or, if none be so appointed then a successor by the Circuit Court, may, at the request of the legal holder of the note secured hereby, proceed to sell the property hereinbefore conveyed, or any part thereof, at public venue or out-cry at the south front door of the Court House in Columbia, in the County of Boone, and State of Missouri, to the highest bidder for cash, first giving notice required by the laws of Missouri in respect to exercising power of sale under mortgage and deeds of trust then in effect; and upon such sale shall execute a deed in fee simple of the property sold, to purchaser or purchasers thereof, and shall receive the proceeds of such sale, out of which said trustee shall pay, first the cost and expense of executing this Trust, including lawful compensation of said Trustee; and next, shall repay any person and persons who may or shall, under the covenants herein before set forth, have advanced or paid any money for taxes, mechanics' liens, insurance or prior notes, as above provided, all sums so by said persons advanced and not already repaid, together with interest thereon at the rate of six per centum per annum from the date of such advance, till day of payment; and, next, the amount unpaid on the note secured hereby, together with the interest accrued thereon, and next the amount due on junior encumbrances, and the balance to the Party of the First Part, assigns, or legal representatives. And each time that it shall become necessary to insert an advertisement for foreclosure and sale if not had, then the trustee shall be entitled to receive the amount of all advertising charges from the Party of the First Part.

AND the said Party of the Second Part hereby lets said premises to the said Party of the First Part until this instrument be released and satisfied, or until default be made in payment or performance of covenants of this Deed of Trust, upon the following terms, to-wit: The said Party of the First Part, and every and all persons claiming or possessing such premises or any part thereof, shall pay rent therefore during said term at one percent per month, payable upon demand and shall and will surrender peaceable

possession of said premises, and any and every part thereof to said Party of the Second Part, immediately upon such default and without notice or demand therefore, and said trustee may thereupon rent the same for account of the holders of the note, until foreclosure is had and during any proceedings to redeem and then deliver possession to the purchaser of trustee's sale.

PROVIDED, however, that nothing in this Deed shall be construed as to prevent the legal holder of said note, to have and to take every legal step and means to enforce payment of said note, without having first caused the execution of the Trust herein created.

AND the said Party of the Second Part covenants faithfully to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct.

WHENEVER in this instrument the expression "First Party", "Second Party", or "Third Party", appears, it shall be held in each case to refer to and include the person or persons, singular or plural, natural or artificial, described in the premises of this deed, and the covenants and agreements herein above contained shall bind and inure to the benefit of, respectively, the heirs, assigns, successors and legal representatives of said "First Party", and any legally appointed successor of said "Second Party", and the endorsees, assigns and legal representatives of said "Third Party".

IN WITNESS WHEREOF, said party of the first part has executed these presents as of the day

and year first above written.	,
	Columbia Housing Authority
	Phil Steinhaus, CEO
STATE OF MISSOURI )	
COUNTY OF BOONE )	
Executive Officer of Columbia Housing Author	, 2013, before me personally appeared being by me duly sworn, did say that he is the Chiefity, a municipal corporation of the State of Missouri, by ef Executive Officer acknowledged said instrument to be
IN TESTIMONY WHEREOF, I have he office, the day and year first above written.	ereunto set my hand and affixed my official seal at my
My Commission Expires:	Notary Public State of Missouri



Source: Community Development - CDBG/Home Agenda Item No:

To: City Council

From: City Manager and Staff

Council Meeting Date: Feb 18, 2013

Re: Authorizing a Demolition Agreement and Extending Redevelopment Period for Loan Forgiveness

#### **EXECUTIVE SUMMARY:**

This Council bill authorizes the City Manager to execute a Community Development Block Grant (CDBG) demolition agreement with the Columbia Housing Authority for the demolition of 105 Lynn and 700 Oak, extend the loan forgiveness and redevelopment period for the project, and submit a Request for Release of Funds from the Department of Housing and Urban Development (HUD). The attached agreement includes the statement of work, payments, records and reports, and other terms and conditions of HUD funding.

#### **DISCUSSION:**

The City of Columbia's demolition program provides CDBG funds as low interest loans to cover costs associated with the demolition of dangerous structures in the Neighborhood Response Team (NRT) Area. Program guidelines allow for total loan forgives if redevelopment of affordable housing has started within One year of demolition, or 50% forgiven if redevelopment of affordable housing begins within three years of demolition. Staff is proposing a CDBG demolition agreement that goes beyond City guidelines to help facilitate the demolition of these structures and redevelopment of the area. The total estimated cost of demolition of the two homes is \$14,900.

The Columbia Housing Authority will be submitting an application to MHDC in the fall of 2013. This application is for tax credit financing to fund a significant affordable housing project on the block containing 105 Lynn and 700 Oak. The MHDC application process and redevelopment time line does not coincide with CDBG demolition guidelines to qualify for demolition loan forgiveness. The forgiveness of these loans will improve project feasibility, demonstrate City support for the MHDC tax credit financing application, and facilitate the demolition of two dangerous structures.

HUD guidelines require an environmental assessment for this project including; an environmental review, "Notice of No Significant Finding" with a 15 day waiting period, and "Request for Release of Funds." City staff has completed the environmental review and "Notice of No Significant Finding" and 15 day waiting period. Approval of the attached resolution authorizes the City Manager to execute the demolition agreement (Attachment A) and request for a release of funds from HUD.

#### **FISCAL IMPACT:**

Demolition promissory notes are attached for \$14,900.

#### **VISION IMPACT:**

## http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php

The projects further Goals 2.3 and 11.2 through providing additional housing choices for low and very low income owner occupants, including homes to be constructed in the central city. Implementation Task 18 will be addressed through the provision of additional affordable housing units.

## SUGGESTED COUNCIL ACTIONS:

The Council should approve the attached resolution authorizing the use of CDBG funds through the terms of the attached agreements.

FISCAL and VISION NOTES:					
<b>City Fiscal Impact</b> 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	ar net costs:	Resources Rec	ıvired	Vision Impact?	Yes
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	2 and 11
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	5.3.2 and 5.3.
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	FY12Task18



# Housing Authority of the City of Columbia, Missouri

201 Switzler Street, Columbia, MO 65203 Office: (573) 443-2556 ♦ TTY: (573) 875-5161 ♦ Fax Line: (573) 443-0051 ♦ www.ColumbiaHA.com

# Housing Production/Demolition Programs Application Community Development

To: Randy Cole, Community Development Coordinator

From: Rick Hess, Director of Asset Management

Date: January 16, 2013

RE: Requesting CDBG Funding for the Demolition of 105 Lynn Street and 700 Oak Street / Columbia, MO 65203.

With closings in early December, 2012, the Housing Authority of the City of Columbia, Missouri (CHA) has purchased the following properties in the vicinity of the intersection of Garth Avenue and Sexton Road to be used for the development of an affordable housing project:

CHA Property Acquisitions - Garth Avenue and Sexton Road				
Address of Property/size	Lot Size	Sq. Ft.	Price	Closing Date
105 Lynn Street	50' x 202.8'	10,140	\$25,000	12/05/2012
1 East Sexton Road	1.96 Acres	85,377	\$242,664	12/12/2012
104 West Sexton Road	59'x202.8'	11,965	\$242,004	
115 Lynn Street	50' x 211.5'	10,575	\$22,000	12/06/2012
107 Lynn Street	50' x 204.6'	10,230	\$15,000	12/06/2012
700 Oak Street	60' x 198'	11,880	\$21,500	12/05/2012
49 - 10 - 10		Closing Costs:	\$946.85	
	Total Purchase Price:		\$327,110.85	

Of these properties there are two unoccupied, dilapidated houses, one each on 105 Lynn St. and 700 Oak St. All other lots are vacant. Mainly for security reasons, CHA has determined that it would be advantageous to remove these houses as soon as possible. CHA has solicited bids for the demolition of these structures. JD Kelly Excavating was the lowest of three bidders at \$12,200. All utilities have been removed from these properties and are terminated at the street or poles. JD Kelly submitted an application for permit to the City of Columbia on Tuesday, January 8, 2013. As per the revised City ordinance pertaining to demolition permits, JD Kelly's permit shall be issued approximately February 8, 2013.

# City of Columbia Ordinance

3303.7 Historic Preservation Commission review of demolition permits. An application for any permit that authorizes the demolition of a historic resource shall include notice of the application addressed to the Historic Preservation Commission. The notice shall be on a form provided by the building official. The building official, upon verification that the application is complete, shall promptly forward the notice to the Historic Preservation Commission in care of the Community Development Department. The building official shall not issue the permit authorizing the demolition until the lessor of thirty (30) calendar days after the notice has been sent to the Community Development Department or until the Historic Preservation Commission notifies the building official that the Commission has no objection to the immediate demolition of the structure. The 30 day review period shall not begin until the application requesting demolition has been deemed to be complete.

CHA has engaged relationships with the City of Columbia and the Columbia Community Development Corporation (CCDC) which have joint interests in developing affordable housing on the following properties adjacent to the properties acquired by the CHA.

- City of Columbia.......106, 108, & 110 West Sexton Road
- Columbia Community Development Corporation.. 109, 111, & 113 Lynn Street

Along with pursuing other funding streams, it is our intent to pursue the process for submitting an application to the Missouri Housing Development Commission (MHDC) in September 2013 for the 9% Low-Income Housing Tax Credit (LIHTC) program to help provide financing for the development of affordable housing at this site.

# Rick Hess

**Director of Asset Management** 

Columbia Housing Authority 201 Switzler Street Columbia, MO 65203

RHess@ColumbiaHA.com (573) 443-2556 x-1230 Cell (573) 819-7121 Fax (573) 443-0051

## Attachments:

"Survey for Columbia Housing Authority" with housing structures slated for demolition identified.

"Housing Production/Demolition Programs Application" - Community Development