

Introduced by _____ Council Bill No. R 84-13

A RESOLUTION

setting a public hearing to consider the Neighborhood
Stabilization Program land bank plan.

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

SECTION 1. A public hearing will be held before the City Council of the City of
Columbia, Missouri in the Council Chamber in the City Hall Building, 701 E. Broadway,
Columbia, Missouri on June 3, 2013 at 7:00 p.m. to consider the Neighborhood
Stabilization Program land bank plan. All citizens and interested persons will be given an
opportunity to be heard.

SECTION 2. The City Clerk is hereby directed to cause notice of this hearing to be
published in a newspaper of general circulation in Boone County, Missouri.

ADOPTED this _____ day of _____, 2013.

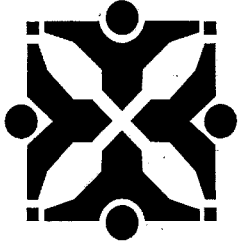
ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor



Source: Community Development - CDBG/Home ¹⁴ Agenda Item No:

To: City Council
From: City Manager and Staff *MM*

Council Meeting Date: May 6, 2013

Re: Approving the City of Columbia Neighborhood Stabilization Program (NSP) Land Bank Plan

EXECUTIVE SUMMARY:

In January of 2009, the City of Columbia was awarded \$610,806 in NSP funding through the U.S. Department of Housing and Urban Development (HUD) to assist in stabilizing distressed neighborhoods. Eligible activities in the City of Columbia's NSP budget include: rehabilitation, land bank acquisition, land bank disposition, redevelopment, and administration. Staff has developed a proposed plan for re-use of the City's 4 NSP properties in land bank disposition status. HUD guidelines require citizen input through a public hearing for the approval of the Neighborhood Stabilization Program Land Bank Plan. Staff has prepared a resolution setting a public hearing to consider the proposed City of Columbia NSP Land Bank Plan.

DISCUSSION:

The NSP is funded through HUD and administered by the Missouri Department of Economic Development (MoDED). The NSP provides funds to assist in stabilizing neighborhoods at risk of the impacts of foreclosure. The City of Columbia budgeted funds for five NSP eligible activities including: rehabilitation, land bank acquisition, land bank disposition, redevelopment, and administration.

A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. The NSP allows properties to be held in land bank status for 10 years. The City utilized NSP funds to purchase vacant, abandoned, or foreclosed upon properties. Each land bank property purchased by the City contained dilapidated structures, which have since been demolished with Community Development Block Grant (CDBG) funds. The City currently maintains 4 properties in land bank status through the NSP: 106 W. Sexton, 108 W. Sexton, 110 W. Sexton, and 603 N. Fourth. 106-110 W. Sexton were purchased in December of 2010, and 603 N. Fourth was purchased in July of 2012.

The attached NSP Land Bank Plan (Exhibit A) describes proposed plans for use of the 4 land bank properties. The attached resolution sets a public hearing to consider the City's NSP Land Bank Plan. A full report will be provided to Council before the public hearing.

FISCAL IMPACT:

Setting the hearing has no fiscal impact.

VISION IMPACT:

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

The proposed reuse further Goals 2.3 and 11.2 through providing additional housing choices for low and very low income owner occupants. Implementation Task 18 will be addressed through the provision of additional affordable housing units.

SUGGESTED COUNCIL ACTIONS:

Approve the attached resolution to set the a public hearing on June 3, 2013 to consider the NSP Land Bank Plan.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	Yes
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	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 #	2.3 and 11.2
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	FY12Task18

Exhibit A
Neighborhood Stabilization Program Land Bank Plan
4-19-2013

Overview

The purpose of this document is to establish a Neighborhood Stabilization Program Land Bank Property Plan. This plan includes a description of the NSP properties currently in land bank status and proposed plans for reuse.

Land Bank Definition

A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. For the purposes of the NSP, a land bank will operate in a specific, defined geographic area. It will purchase properties that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties.

An NSP land bank acquires foreclosed properties that do not have a designated specific, eligible redevelopment use in accordance with NSP requirements. HUD does not believe the benefits of holding property are sufficient to stabilize most neighborhoods or that this is the best use of limited NSP funds absent a re-use plan. Therefore, a land bank may only hold the property up to ten years before it obligates the property to an eligible NSP use.

HUD Guidelines

Land banks are not allowed in regular CDBG or HOME funding due to risk in time needed to meet a national objective. NSP funds can be used for land banking and must correlate with an eligible activity under 24 CFR 570.201 (a) Acquisition & (b) Disposition.

- a) *Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of Sec. 570.207.*
- b) *Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in Sec. 570.504. (Temporarily managing includes maintenance, assembly, facilitating the redevelopment of, and marketing of land banked properties. NSP funds may be used for basic, reasonable maintenance intended to stabilize the property.)*

Proposed Plan for City of Columbia Neighborhood Stabilization Land Bank Properties

The City of Columbia currently has 4 properties in land bank status. A list of the land bank properties and summary of their reuse is as follows:

106, 108, and 110 West Sexton

The City of Columbia will donate these 3 properties to the Columbia Housing Authority for the purpose of developing affordable housing. These properties will be a part of a larger affordable housing development with potential funding sources of low-income housing tax Credit (LIHTC) financing, Federal Home Loan Bank of Des Moines, City HOME funding, and City Community Development Block Grant (CDBG) funding.

603 North Fourth Street

The City of Columbia will maintain this cleared lot until title issues are resolved. Upon resolving title concerns, City staff will develop a plan for reuse of the property.

Citizen Input for Land Bank Property Reuse

The Department of Housing and Urban Development (HUD) requires NSP grantees to obtain citizen input in the development of the land bank plan. The following timeline details opportunities provided for citizen input:

1. April 18, 2013: Community informational meeting for the Garth/Sexton affordable housing project, including a survey of attendees.
2. April 21, 2013 through May 20, 2013: 30 day comment period to allow gain public comments on City NSP Land Bank Properties Plan, and provide a report to Council.
3. May 6, 2013: Council resolution to set hearing for NSP Land Bank Plan.
4. May 20, 2013: Comment period ends.
5. June 3, 2013: Council hearing on resolution to approve City of Columbia NSP Land Bank Properties Plan.
6. June 17, 2013: Council meeting 2nd and 3rd read of City Ordinance to donate NSP properties to the Columbia Housing Authority for affordable housing development.