

RESOLUTION NO.: R-2018-104

*Authorizing the City Manager to execute a Memorandum of Understanding  
Between the City of Columbia and The NCRC Housing Rehab Fund, LLC*


BE IT RESOLVED by the Mayor and City Council this 6th day of November, 2018, that the City Manager is authorized to execute the attached Memorandum of Understanding between the City of Columbia and The NCRC Housing Rehab Fund, LLC, or on a form approved by the City Attorney, to develop a program that will provide homeownership opportunities to low-to-moderate income families or in low-to-moderate income communities.

Requested by:

Councilmember Devine \_\_\_\_\_

  
\_\_\_\_\_  
Mayor

Approved by:

  
\_\_\_\_\_  
City Manager

ATTEST:

Approved as to form:

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
City Clerk

Introduced: 11/6/2018

Final Reading: 11/6/2018

ORIGINAL  
STAMPED IN RED

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

MEMORANDUM OF UNDERSTANDING  
(Resolution No.: R-2018-104)

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") is made between the THE CITY OF COLUMBIA, SOUTH CAROLINA (COC), a South Carolina municipal corporation with its principal address at 1737 Main Street Columbia, SC, and THE NCRC HOUSING REHAB FUND, LLC, a limited liability company with offices at 740 15TH Street NW, Suite 400, Washington, DC 20005 ("HRF").

**PREAMBLE**

WHEREAS, Columbia City Council desires to provide incentives for Affordable and Workforce Housing Developments within the corporate limits that will help address the Affordable Housing Shortage that currently exists; and,

WHEREAS, Columbia City Council desires to facilitate the addition of 1,000 affordable housing units in the city over a five (5) year period; and,

WHEREAS, the parent nonprofit of NCRC Development Corporation, the National Community Reinvestment Coalition ("NCRC"), is an association of more than 600 community-based organizations that promotes access to credit and capital, affordable housing, job development and vibrant communities for America's working families; and,

WHEREAS, NCRC has created Generating Real Opportunities for Work Through Housing (GROWTH) to provide pathways to homeownership for working families and in low and moderate-income communities; and,

WHEREAS, in furtherance of that mission, GROWTH seeks to acquire and renovate or build up to 3,000 homes in communities across the U.S. over the next 5 years while providing job opportunities for local residents and housing counseling for buyers; and,

WHEREAS, GROWTH has aggregated approximately \$100 million nationally and over \$10 million locally to invest and re-invest in homes for our communities; and,

WHEREAS, NCRC operates a variety of business development initiatives that support business ownership and entrepreneurship among communities of color and women; and,

WHEREAS, GROWTH which operates the NCRC Housing Rehab Fund, has proposed to enter into an agreement with the COC to formalize a partnership supporting the program to provide homeownership opportunities to low-to-moderate income families or in low-to-moderate income communities; and,

WHEREAS, the COC wishes to partner with organizations to rebuild and redevelop communities facing decline in occupancy, property values and areas to improve the quality of life for its residents through local not-for-profit organizations; and,

WHEREAS, the parties have agreed that a business relationship enhanced by the mutual benefit of helping to address the homeownership needs of these communities is an important contribution to creating vibrant communities in the City of Columbia, SC; and,

WHEREAS, job opportunities can be created from the rehabilitation and construction of GROWTH homes; and,

WHEREAS, GROWTH acknowledges the value provided its programs are essential in identifying and qualifying contractors or work, including work on NCRC's GROWTH Initiative; and,

WHEREAS, NCRC maintains a robust National Training Academy with the capacity to assist both in workforce development and small contractor incubation and training to increase the opportunities for low- and moderate-income persons and businesses; and,

WHEREAS, COC has a goal of encouraging the development of excellent, affordable housing for low and moderate-income persons; NOW, THEREFORE,

BE IT RESOLVED that NCRC and COC are entering this Memorandum of Understanding to expand the capacity of NCRC's GROWTH Initiative by developing a program (the "Program") to provide access to potential homebuyers to purchase affordably priced homes and to identify fully-qualified contractors and apprentices to renovate and build GROWTH homes.

## **TERMS AND CONDITIONS**

I. The key elements of the Program subject to this MOU are as follows:

### **COC'S Responsibilities:**

The following is a summary of the responsibilities of COC, subject to securing the necessary and proper legal review and approvals from its City Council, and or any other regulatory partners and/or governing bodies:

- COC agrees to support newly constructed and rehabilitated homes created for sale with mortgage financing and low downpayments through Community Development home loan programs pending funding availability and borrower qualification and eligibility for homeownership opportunities and the stated goal within this MOU.
- COC will work to identify vacant land in its inventory that could be made available for development under this initiative in accordance with the MOU partnership and stated homeownership goals of GROWTH.
- COC will encourage the Columbia Housing Authority (CHA) to work with NCRC to identify residents of public housing communities that participate in the Housing Choice Voucher program who might qualify to participate in purchasing homes under this initiative.
- COC will support outreach and counseling programs for potential purchasers through a variety of resources to include internal and external partners that provides housing counseling through a HUD certified counseling organization.

### **New Construction Program:**

GROWTH looks to partner with COC and local not-for profit organizations to develop communities and build infill single family homes in selected neighborhoods where investment has been placed in efforts to continue overall growth and desirability of the designated area. NCRC will hire a qualified implementation team to develop and build up to 50 single-family homes over a period of 3 years. Price points for the neighborhood will range from \$110,000 to \$200,000. The actual prices will be determined based on a residential market study. All homes will be developed in conformance with design guidelines and restrictive covenants created to maximize and sustain the value of the individual homes and the desirability of the developed communities.

The local not-for-profit organizations partners, COC, and local realtors will assist in identifying and or securing lots or properties to be developed.

### **GROWTH - Single-Family Homes Developer Responsibilities:**

GROWTH would serve as developer for the new communities identified and individual rehabilitated properties in partnership with a local not-for-profit organization to be determined. As developer of the single-family home and rehabilitation components, GROWTH will be responsible for the following:

- Selecting sites and or property for development;
- Grading and developing the lots;
- Providing funding to rehabilitate and construct new homes;

- Obtaining permits, approvals and other governmental authorizations;
- Qualifying, procuring and working with professional service firms, engineers, planners, architects;
- Reviewing and approving house plans, ensuring compliance with any design guidelines and interior specifications;
- Completing quality construction of the homes and turning them over for sale free and clear of all liens and encumbrances and in accordance with design guidelines and any restrictive covenants; and,
- Developing and administering a marketing and sales program.

**COLLECTIVE EFFORTS:**

**COC: (Recommended Collaboration Activities)**

This collaboration will work in a collective manner to involve the City of Columbia, SC in expediting approvals and identifying ways to reduce public improvement cost to support the rehabilitation and new construction of housing. This collaboration shall recommend participation from the City of Columbia, SC as follows:

- Confirmation of Infrastructure/Utility Availability;
- Review of Future Capital Improvement Projects that may impact Development Opportunities for purposes of determining if project schedule could be expedited if needed;
- Provision of home loan financing programs with low down payments pending funding availability, borrower qualification and eligibility;
- Planning Assistance with regards to Code Requirements to include but not limited to activities such as demolition, design criteria specific to a community, zoning requirements, etc.; and,
- Providing contact information as available for community leaders within areas identified for development through this MOU.

**Pre-development and Development Activities:**

GROWTH and the not-for-profit partners both agree to be active participants and collaborate in the following activities toward the scaling and realization of a homeownership rehabilitation and new single family project(s):

- Acquisition Plan as a roadmap to future site control, critical mass opportunities;
- Rehabilitation project scope;
- Architectural Guidelines for the entire community (design for the future of market rate; affordable will have same exterior elevations with limited interior features for value engineering);
- Regular reporting and result measurement;
- Defining overall development objectives and options;
- Development of a Master Plan for planned sites;
- Develop a master schedule for the entire project; and,
- Develop a preliminary total project budget.

**Homeownership Support Services & Workforce Development:**

The local not-for-profit(s) to be identified will make available a pool of qualified buyers by way of its Homeownership Program and agree to grow and provide these buyers to GROWTH during this agreement and toward the stated and collective Homeownership Goals. These Homeownership participants shall receive selection preference to participate. GROWTH staff will work with the housing counseling agencies and the local not-for-profits partners to educate individuals, families and realtors about this initiative.

GROWTH and its local not-for-profit partners agree to facilitate homeownership counseling services to low to moderate-income residents to include homebuyer education classes, credit counseling, family supportive service programs with the goal of purchasing a home. The local not-for-profit partners will assist potential home purchasers with the process of obtaining a first mortgage. GROWTH will form a partnership with an acceptable counseling agency agreed to by COC to provide homeowner counseling.

Potential buyer will be able to apply for any Mortgage Program offered by COC, or any local organization or lender. It is likely that this program will be layered with other first-time homebuyer assistance programs offered by various entities in the community.

The leadership teams for COC and GROWTH will address affordable housing needs, workforce curriculum needs for apprentices identified and opportunities to market the GROWTH program citywide.

**Workforce Development:**

GROWTH will either help create or enhance workforce development programs in the City of Columbia, SC. NCRC's GROWTH Initiative has set as a goal the creation of 25 new jobs on its renovation and new construction activities over the five-year life of this Program. GROWTH will also attempt to place qualified local unemployed or underemployed, skilled residents on its renovation and new construction work from the area.

NCRC and its affiliates will also, to the greatest extent feasible, assure that residents of public housing and other Section 3 eligible persons will attain employment and or job training opportunities. COC will make available its list of interested and potential Section 3 participants to aid in workforce development opportunities.

**Funding:**

NCRC, its major bank investors and the COC share an interest in providing affordable homeownership for low-to-moderate income (LMI) families and LMI individuals, specifically those whose incomes are at or below 80% of the Area Median Income (AMI). GROWTH and the COC agree to confer and collaborate on the best ways to provide sustainable, affordable homeownership for low- and moderate-income residents (at or below 80% of AMI) in communities of mutual interest to the parties. GROWTH intends to create significant impact in the relatively underserved single family homeownership market by investing up to \$8 million dollars under this initiative. COC and GROWTH also agree to facilitate introductions for purposes of conferring and determining any synergies related to affordable home ownership for City of Columbia, SC residents.

**Term:**

This Agreement shall commence on the Effective Date and shall expire on February, 2023, unless otherwise terminated under the provisions of this Agreement.

**Termination:**

Either party may terminate this Agreement for any reason upon sixty (60) days written notice to the other party. COC and GROWTH shall negotiate in good faith during the term of this MOU to arrive at mutually acceptable definitive agreements to formalize a partnership supporting a program to provide homeownership opportunities to low-to-moderate income families or individuals in low-to-moderate income communities and to develop city-wide workforce development opportunities in creating jobs for the citizens of Columbia, SC. In the event COC and NCRC fail to negotiate and enter into mutually acceptable definitive agreements during the term of this MOU, this MOU shall terminate in its entirety and be of no further force and effect without further notice upon the end of the term.

**Modification:**

Modifications within the scope of this MOU shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.

**No Third Party Rights:**

The execution of this MOU shall create no third-party rights for or by any person or entity against NCRC or COC or their respective officials, officers, employees or agents. This MOU is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law or in equity by any party in any matter, criminal or civil.

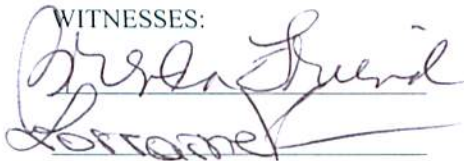
**Relationship of Parties:**


NCRC shall not be an agent of the COC and shall have no power or authority to obligate or bind the COC in any manner. Nothing in this MOU shall be deemed to create between the parties any relationship of partnership, employer-employee, joint venture or other association.

**MOU Non-binding:**

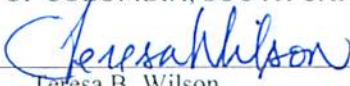
This MOU summarizes the intentions of the COC and NCRC. This MOU is not intended to be, and is not, binding upon either party, nor does it create any rights or obligations between the two parties, financial, legal or otherwise. This MOU is intended to be, and shall be construed only as, an expression of the current intention of the parties hereto and shall not be a binding agreement or create any legal obligations upon any party, express or implied.

IN WITNESS WHEREOF, the parties have executed this MOU effective as of the date of the last signature hereinbelow.

WITNESSES:  


THE NCRC HOUSING REHAB FUND  
BY:   
Print Name: Edward J. Gobmitas  
Its: MANAGER  
Date: 11/26/18



CITY OF COLUMBIA, SOUTH CAROLINA  
BY:   
Teresa B. Wilson  
Its: City Manager  
Date: 11/13/2018

APPROVED AS TO FORM  
  
Legal Department City of Columbia, SC