



**City of Missoula, Montana
City Council Committee Agenda Item**

Committee: Committee of the Whole

Item: Contract for Scott Street Community Land Trust Loan

Date: April 7, 2022

Sponsor(s): John Adams

Prepared by: Jessica Miller

Ward(s) Affected:

<input checked="" type="checkbox"/> Ward 1	<input type="checkbox"/> Ward 4
<input type="checkbox"/> Ward 2	<input type="checkbox"/> Ward 5
<input type="checkbox"/> Ward 3	<input type="checkbox"/> Ward 6
<input type="checkbox"/> All Wards	<input type="checkbox"/> N/A

Action Required:

Consider a contract between the City and Ravara Development, LLC, providing for a loan to Ravara for soft costs associated with the construction of permanent income-qualified, affordable homes.

Recommended Motion(s):

I move the City Council: approve and authorize the Mayor to sign the Scott Street Community Land Trust Soft Costs Loan Agreement between City of Missoula and Ravara Development, LLC in the amount of \$479,435.

Timeline:

Committee discussion:	April 13, 2022
Council action (or sets hearing):	April 18, 2022
Public Hearing (if required):	N/A
Final Consideration	N/A
Deadline:	N/A

Background and Alternatives Explored:

On August 3, 2020, Council approved the purchase of approximately 19 acres (the Scott Street Parcel) to develop homes that are affordable to Missoulians and consolidate operations for the Department of Public Works and Mobility. On February 8, 2021, Council approved a Letter of Intent between the City and Ravara Development, LLC, which approved the sale of a portion of the Scott Street Parcel to Ravara to develop market-rate, multi-family housing; the donation of 3 acres of land to a community land trust to host permanently affordable, income-qualified homes; and Ravara's donation of its time and expertise to manage construction of the land trust homes.

The City, Ravara, and the North Missoula Community Development Corporation (NMCDC, a non-profit organization that, in part, builds and manages community land trust homes) are collaboratively working toward construction of the land trust homes. Ravara is, pro bono, managing design and construction of the homes; NMCDC is preparing to own and manage the land and ensure continuing affordability; and the City is contributing the land, public infrastructure, and bridge financial support as necessary and desirable. Today's loan agreement is necessary

and desirable to enable Ravara to design the land trust homes. As homes are completed and sold, proceeds will initially fund the construction of the next units; as the project nears completion sale proceeds will be used to repay the City.

Financial Implications:

The City is fortunate to be able to provide this City Treasury loan due to the application of federal American Recovery Plan Act funding in other arenas. Interest on the loan is 1.5%. Repayment is expected to occur 2025-26.

Links to external websites: