

BILL NO. 2023 - 30

ORDINANCE NO. 1737

AN ORDINANCE OF THE CITY OF PAGEDALE, MISSOURI, ADOPTING AND ENACTING PROVISIONS FOR THE EXECUTION AND IMPLEMENTATION OF A RENOVATION AGREEMENT DATED 9/14 2023 BETWEEN THE CITY OF PAGEDALE AND COMMUNITY IMPACT NETWORK, INC, FOR THE RENOVATION, SALE, AND REUSE OF HOUSING WITHIN THE CITY FOR RESIDENTS OF THE CITY:

WHEREAS, the City of Pagedale's ("Pagedale") goals for the community include: increasing market-rate homeownership as a portion of the overall housing stock; providing opportunities for new and existing residents to experience upward economic mobility through homeownership; improving infrastructure; reducing vacancy; and eliminating the costs Pagedale spends on the upkeep and maintenance of vacant, unoccupied houses; and

WHEREAS, to accomplish these goals by transforming unoccupied houses into owner-occupied homes, Pagedale would ordinarily need to incur significant out-of-pocket costs, provide public incentives, or both. Pagedale does not have the unrestricted funds available to renovate any vacant houses and it wishes to preserve tax revenue that funds municipal services, the school district, and other important community projects; and

WHEREAS, pursuant to the Renovation Agreement between Pagedale and Community Impact Network, Inc. ("Network") that is attached as Exhibit A to this Ordinance, the Network agrees to complete certain housing renovation work for Pagedale at the Network's sole cost. After the renovation work is complete, such housing (the "Renovation Property") will then be sold in accordance with the terms and processes described in the Renovation Agreement to individual homebuyers willing to invest in Pagedale's future. All sale proceeds (other than costs of the sale incurred by Pagedale as specified in the agreement) will then go to Pagedale to improve its infrastructure and to fund the provision of the services specified in the Renovation Agreement. Until it sells the Renovation Property to a third party, title to the Renovation Property will remain in the name of Pagedale, ensuring that Pagedale maintains ultimate control over the project; and

WHEREAS, Network does not seek any payment for its services and will not accept any portion of the sale proceeds. Pursuant to the Agreement with Network, all proceeds of the sale shall go to Pagedale and shall be spent on projects that Pagedale – and Pagedale alone – determines to be in its best interests; and

WHEREAS, the Agreement embraces conflict of interest, transparency, and other ethics requirements that together help to ensure Pagedale receives fair market value for the Renovation Property and empower the community to participate in decisions made about how sale proceeds will be spent; and

WHEREAS, the Agreement requires Pagedale to adopt on or before the closing date of the sale of any Renovation Property an ordinance prescribing the process for selling Renovation Property and the use of sale proceeds.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERPERSONS OF THE CITY OF PAGEDALE AS FOLLOWS:

Section 1. The Mayor or other appropriate agent of Pagedale is authorized execute the Renovation Agreement with the Network in the form attached to this Ordinance, the full terms of which are also incorporated by reference into this Ordinance. In carrying out Pagedale's obligations under the Renovation Agreement, the Mayor or other appropriate agent of Pagedale is authorized to execute, from time to time, any documents necessary to carry out the terms of the Agreement, including any documents necessary to effectuate the sale of the property as provided in the Agreement, to further authorize the Network to provide the services specified in the Renovation Agreement to the extent required, to accept and deposit funds received by Pagedale from the sale proceeds or otherwise in a special restricted account that shall only be expended with the further approvals set forth in the Renovation Agreement and under the terms specified therein, and to provide all reports or communications that Pagedale is required to provide to the Network regarding expenditure of sale proceeds or other funds received pursuant to the Renovation Agreement.

Section 2. Within forty-five (45) days after the completion of renovation of any Renovation Property, a listing agent contracted by Network at Network's sole cost and expense (the "Listing Agent") shall list the Renovation Property for sale at a listing price of at least the Fair Market Value as determined by an appraisal secured by the Network at its cost pursuant to the Renovation Agreement. In no event may a Renovation Property be sold for a purchase price of less than ninety percent (90%) of the Fair Market Value of such property as determined by an appraiser in accordance with the Renovation Agreement.

Section 3. The Renovation Property shall be sold only to natural persons who intend to own and occupy the property as their primary residence and not for lease to others. Each contract for the sale of a Renovation Property shall contain a representation and warranty by the buyer(s) that each buyer is a natural person, and that each buyer intends to use the property as their primary residence and not for rental to any other party.

Section 4. All sales proceeds or other funds received pursuant to the Renovation Agreement shall be deposited into a segregated account in the name of Pagedale to be used only in accordance with this Ordinance. All sale proceeds shall only be used for purposes stated in the Renovation Agreement.

Section 5. No portion of the sale proceeds shall be used on any of the following: to compensate or increase the compensation of any elected or appointed official, any public employee, any other individual with whom Pagedale may be prohibited by law from contracting with under applicable conflicts of interests laws, or any family member of any of the foregoing; to compensate any independent contractor of Pagedale unless the contract was awarded through a competitive procurement process that was reasonably open to public scrutiny and executing the contract was approved in advance by a majority vote of Board of Alderpersons; to pay for any

project (other than the home repair services specifically allowed in the agreement) that would meet the definition of infrastructure as provided in the Agreement but that will be kept private, to which the public will not have reasonable access, or which in any way inures to the benefit primarily of private parties rather than the public generally.


Section 6. All expenditures of sale proceeds must be approved by the Mayor and authorized by a majority of the Board of Alderpersons at a public meeting that was duly noticed and that complied with all requirements of the Missouri Sunshine Law. Pagedale shall report all expenditures of sale proceeds to the Network within thirty (30) days after making such expenditure. Pagedale shall keep and maintain full and accurate books of account and records regarding expenditures of sale proceeds and compliance with all restrictions set forth in the Agreement with respect to such expenditures, copies of which shall be provided to Network upon request.

Section 7. The requirement on use of sale proceeds shall continue until all such sale proceeds have been expended by Pagedale and reported to Network in accordance with the Agreement.

Section 8. This ordinance shall be in full force and effect from and after its passage by the Board of Alderpersons and Approval by the Mayor.

PASSED BY THE BOARD OF ALDERPERSONS OF THE CITY OF PAGEDALE THIS
14th TH DAY OF Sept. 2023.

APPROVED BY THE MAYOR OF THE CITY OF PAGEDALE THIS 14th TH DAY OF September
2023.

 , Mayor of the City of Pagedale

ATTEST:  City Clerk