

# PROPERTY RESTORATION PROGRAM GUIDELINES

A PROGRAM OF THE CITY OF FERGUSON, MISSOURI

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## CONTACT INFORMATION

*Questions concerning the Property Restoration Program should be directed to:*

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## **PURPOSE**

The Ferguson Property Restoration Program provides an opportunity for qualified developers and individuals to rehabilitate property owned by the City or on the St. Louis County Post-third Tax Sale list (within the city limits of the City of Ferguson, Missouri).

The program was developed with the following goals in mind:

- 1) return vacant properties to productive use;
- 2) increase affordable housing stock;
- 3) improve the quality of residential and commercial properties;
- 4) increase the percentage of homeowners within the city.

## **ELIGIBLE APPLICANTS**

Eligible applicants include private organizations and individuals. Priority will be given to qualified applicants who plan to own and reside, or do business, in the property for which the applicant is applying.

The City of Ferguson, Missouri reserves the right, in its sole discretion, to determine whether an applicant is qualified. Acceptance of an application does not indicate qualification.

The City of Ferguson reserves the right to condition transfer of any property upon acceptance of certain terms, within any agreement, regarding purchase, renovation, development or redevelopment, transfer, or other terms, and/or upon certain deed restrictions. The transfer of property requiring renovations may be subject to an enforcement mortgage, securing a lien against the property that is discharged once the minimum renovation requirements, and any other requirements, are completed to the satisfaction of the City of Ferguson, Missouri.

Eligibility to apply does not guarantee approval, priority, or priority right of transfer. The City of Ferguson, Missouri shall have sole discretion for the approval or disapproval of any application, and the transfer of any property.

## **ELIGIBLE PROPERTIES**

### **Property not already owned by the City of Ferguson**

Any real property on the Saint Louis County Post-third Tax Sale List, with structures, requiring renovation that is intended to be completed by an approved applicant. Renovation will be required to meet minimum renovation requirements as established by the City of Ferguson. This list of properties is subject to change without notice.

### **Property already owned by the City of Ferguson**

The City of Ferguson shall allow certain properties owned by the City to be available through the program. This list of properties is subject to change without notice.

The City Council has final approval on the property acquisition and redevelopment agreements for the Property Restoration Program.

### **PROPERTY PRICING**

Applicants will be required to submit a non-refundable payment of \$50 to the City of Ferguson for the acquisition of any property on the County Post-third Tax Sale List.

Applicants will be responsible for all fees associated with obtaining and rehabilitating the property, including but not limited to: title search, administrative fees & recording cost, obtaining free and clear title, permits, inspections, etc.

### **APPLICATION REQUIREMENTS**

A proposed development plan and application shall contain the following information and data:

Legal description. A legal description of the redevelopment area by metes and bounds or other definite designation;

Design plan. A general description and preliminary design plan of each proposed redevelopment project, with plans, a narrative, schematic drawings, and elevations showing or describing the general location of structures, general height, size, and scale of structures, proposed land use, materials, general landscaping, and traffic circulation;

Project phases. A statement of the various phases, if more than one (1) is intended, by which each redevelopment project is proposed to be constructed or undertaken, and the approximate deadline for the commencement and completion of each phase, together with a legal description, or other definite designation, of the real property to be included in each phase;

Unit specification; availability. A statement of the character, type, and quality of construction and, when applicable, approximate number of units, the square footage of the various units, approximate rent or sales price, as the case may be, and approximate date of availability of the proposed units to be offered during the construction by each phase, if at all, or upon completion of each redevelopment project;

Property to be demolished. A statement of the existing buildings or improvements in the redevelopment area proposed to be demolished, in whole or in part, if at all, and an estimate of the timing of such demolition;

Building rehabilitation. A statement of existing buildings to remain, if any, the proposed improvements to each such building to remain and the approximate period of time during which such improvements, repairs, or alterations are to be made;

New construction. A statement of the general type, size, number, character, and materials of each new industrial, commercial, residential, or other building or improvement to be erected or made and the estimate of the timing of such construction;

Open space and other amenities. A statement of those portions, if any, of the redevelopment area which may be permitted or will be required to be left as open space or other amenities to the redevelopment project, the use of each such space and the manner in which it will be improved and maintained, if at all;

Property for public agencies or political subdivisions. A statement of those portions, if any, of the redevelopment area which are proposed to be sold, donated, exchanged, or leased to any public agency or political subdivision of the federal, state, or local government, and an outline of the terms of such proposed sale, donation, exchange, or lease;

Zoning changes. A statement of the proposed changes, if any, in zoning chapter or map necessary or desirable for the redevelopment project;

Street changes. A statement of the proposed changes in streets or street levels and proposed street closings within, adjacent to, or in the proximity of the redevelopment area, including, but not limited to, any changes proposed changing streets from public to private streets or from private to public streets, if any;

Utility changes. A statement of the changes, if any, which will be required in utility sources to accommodate each redevelopment project and changes, if any, in utility lines, easements, or locations;

Financing. A detailed statement of the proposed method of financing the redevelopment project which shall set forth the estimated development costs of the redevelopment project and the proposed sources of funds, debt, and equity to meet such estimated costs; a signed letter of commitment from the financing entity evidencing that construction financing has been acquired for the redevelopment project (which letter may be conditioned upon and subject to completion of final plans and specifications, final approval by the city of the

development plan, negotiation of the development contract, and such other standard conditions as are found in construction financing commitment letters); a detailed statement of the projected gross revenues and all projected expenses of the redevelopment project during the first five (5) years in which such project is in operation; and the assurances, including performance bonds, if any, to be given to the city by the corporation and its affiliates for the corporation's performance of its obligations;

Management. A list of the persons proposed to be active in or associated with the management of the redevelopment project during the period of at least one (1) year from the date of approval of the development plan and a list of the officers, directors, and principal stockholders of the corporation;

Qualifications (if not required to qualify before application). A statement detailing the experience and qualifications of the person or corporation submitting the proposed development plan and proposed to be actively involved in the overall direction and implementation of the redevelopment project, including any officer, director, or majority shareholder thereof. Such statement should include, but not be limited to, information as to whether the applicant, or any officer, director, or majority shareholder thereof has been declared a bankrupt, voluntarily or involuntarily, or has been involved in any judicial or administrative proceeding in the preceding five (5) years;

Evidence of good standing. If the applicant is not an individual, evidence that the person or corporation submitting the proposed development plan is lawfully organized and is in good standing under the laws of the state;

Non-collusive affidavit. An affidavit executed by the person or corporation submitting the development plan, in form to be furnished by the director, stating that in submitting its proposed development plan the person or corporation has not colluded or conspired with any other proponent; and

Other information. Such other statements, exhibits or documentation as may be deemed relevant by the corporation, the city manager, or the city council.

#### **APPLICANT/PROGRAM LIMITATIONS & REQUIREMENTS**

Applicants who wish to enter any property for any purpose related to this program, must obtain written permission from the listed owner on the Saint Louis County records. The City of Ferguson cannot grant access to any property until the City has a deed from the County.

Approved applicants will be limited to four (4) properties that may be renovated at any given time – this includes a single applicant, another applicant from the same entity, or a related business or corporation.

Approved applicants will be required to execute a Redevelopment Agreement for the acquisition of the subject property, before the City of Ferguson will begin the acquisition process and transfer of ownership via quit-claim deed.

Approved applicants who refuse to take title to property following acquisition by the City of Ferguson may, at the sole discretion of the City of Ferguson, be precluded from further participation in the program and shall be liable for reimbursement of any actual costs incurred by the City of Ferguson in connection with the property, plus an additional administrative penalty of not less than five-hundred dollars (\$500.00), and will forfeit their right to a refund of any application fees, deposits, down payments, or other funds collected from the applicant in connection with the property.

Applicants must be in substantial compliance with all local building, health, zoning, fire, and other local and state regulations for any other real property the applicant owns within the City of Ferguson, and applicants must be able to maintain the subject property in accordance with the same.

Applicants must be current on all real estate taxes and assessments for any real property the applicant owns within the City of Ferguson, Missouri. Applicants must not be a prior owner of real property in the City of Ferguson, Missouri that was transferred as the result of tax foreclosure proceedings or conveyance in lieu of foreclosure.

Applications may be approved, at the sole discretion of the City of Ferguson, subject to budgetary limits and authority as established by the City of Ferguson City Council, and the administrative, operational, and financial capacity of the City of Ferguson as it, in its sole discretion, so determines.

### **Renovation Process**

Applicants must agree to obtain all necessary permits and cause all work to be completed by licensed and insured professionals, where required.

Applicants are required to use licensed service providers to install electrical, HVAC systems and plumbing, if work on those systems are needed.

Applicants (and contractors hired by applicant) are required to attend bi-weekly Project Review Meetings with City Staff as determined necessary or when requested by City Staff.

As security for Applicant's successful performance of its obligations contained in the Redevelopment Agreement, Applicant will execute a quit-claim deed in favor of the City, transferring back to the City any and all properties and property rights received from the City as part of the transfer to the Applicant for purposes of the Redevelopment Agreement. The City shall safe keep such deed(s) as security

for Applicant's successful performance and shall not record the deed(s) unless and until the City has determined that the Redevelopment Agreement should be canceled, voided, or terminated.

During the Term of the Redevelopment Agreement, Applicant shall maintain commercial general liability insurance covering claims for bodily injury or death, property damage or personal injury arising from the performance of the Services contemplated by this Agreement, with a per occurrence, combined single limit of not less than \$5,000,000. Such insurance policy shall cover claims arising from or related to (but not limited to) broad form property damage liability, provide coverage for contractual liability, general commercial liability, and name the City of Ferguson as additional insured.

During the Term of the Redevelopment Agreement, Applicant shall maintain Workers' Compensation insurance (or its equivalent for contractors) for the payment of claims for bodily injuries, including death or disease sustained by employees and/or contractors in the amount of the minimum statutory limits under applicable law or Five Hundred Thousand Dollars (\$500,000), whichever is greater. A Waiver of Subrogation in favor of the City shall be obtained from Applicant's insurer.

All interior construction, improvements, and facilities shall conform to the standards of the appropriate approved code (building, electrical, mechanical, plumbing) of the City of Ferguson.

## **DEADLINES**

Successful applicants must conform to the following deadlines unless written permission is given by the City Manager of the City of Ferguson:

1. After quitclaim deeds are signed, the developer will have 2 weeks to complete the following tasks:
  - a. Hire an attorney or title clearing agency and provide written proof to the City
  - b. Clean the property(s) exterior and schedule an exterior inspection with the City
  - c. Submit preliminary site plans
2. After the title to the property(s) is cleared, the developer will have 2 weeks to complete the following:
  - a. Provide written proof of title insurance showing that developer claims sole ownership
  - b. Submit a building permit application, including plans for the working outlined in the signed redevelopment agreement.
3. After the building permit is approved and issued, the developer will have 6 months to complete the following:

- a. All interior and exterior work as outlined in the signed redevelopment agreement
  - b. Attend bi-weekly project review meetings with City Staff to provide construction updates
4. After construction is complete, the owner will have 6 months to obtain an occupancy permit (renter or owner occupant).

#### **LIMITATIONS**

The City of Ferguson will only have twenty (20) ongoing redevelopment agreements through this program at any given time.

The City of Ferguson will only allow a single developer to have four (4) ongoing projects through this program at any given time.

The guidelines provided herein for the City of Ferguson Property Restoration Program, are intended as guidelines only. No rights, express or implied, or responsibilities are intended or created by, or for, any party. Failure by the City of Ferguson City Council, its officers, or its staff, to comply with these guidelines will not give any party the right to change, rescind, delay, or overturn any decision or transaction, or provide for any claim for damages or other relief, nor is failure to comply with these guidelines a failure of a duty, of any kind, of the City of Ferguson City Council, its officers, or its staff. Submission of an application for this program shall be deemed as an acceptance of these limitations.