

BILL NO.: 5086

ORDINANCE NO.: \_\_\_\_\_

Introduced by: Acting City Manager April Walton

**AN ORDINANCE OF THE CITY OF BERKELEY, MISSOURI, REPEALING  
ARTICLE XVI ECONOMIC DEVELOPMENT IMPROVEMENT – DOLLAR  
HOME PROGRAM IN ITS ENTIRETY AND REPLACING IT WITH A NEW  
ARTICLE XVI ECONOMIC DEVELOPMENT IMPROVEMENT – DOLLAR  
HOME PROGRAM**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BERKELEY,  
MISSOURI, AS FOLLOWS:**

**Section 1.** Article XVI Economic Development Improvement – Dollar Home Program of Title IV Land Use, Chapter 400 Zoning Regulations will be repealed in its entirety and replaced with a new Article XVI Economic Development Improvement – Dollar Home Program.

**Section 2.** The Article is attached and incorporated hereto as if fully set forth herein.

**Section 3.** This ordinance shall be in full force and effect from and after its passage.

1st Reading this \_\_\_\_\_ day of \_\_\_\_\_ 2025

2nd Reading this \_\_\_\_\_ day of \_\_\_\_\_ 2025

3rd Reading, PASSED and APPROVED, this \_\_\_\_\_ day of \_\_\_\_\_ **2025**

\_\_\_\_\_  
Rita Crawford-Graham, Mayor

ATTEST:

\_\_\_\_\_  
Deanna L. Jones, City Clerk

Final Roll Call:

Councilwoman Holmes  
Councilwoman Williams  
Councilman Hoskins  
Councilwoman Anthony  
Councilman Hindeleh  
Mayor Crawford-Graham

Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_  
Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_  
Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_  
Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_  
Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_  
Aye \_\_\_ Nay \_\_\_ Absent \_\_\_ Abstain \_\_\_

\_\_\_\_\_  
Approved as to Form:  
Felica Ezell-Gillespie, Interim City Attorney

Section 400.1300. Purpose.

1. The Dollar Home Program is established to allow the City to purchase substandard properties and offer them for sale in the City at a depressed market price. The purpose of this program is to rehabilitate substandard properties which are having an adverse impact upon our residential neighborhoods and to resell the properties to owner-occupants providing an increase in new affordable housing/commercial stock that will address the housing, business retention, and neighborhood stabilization recommendation of the comprehensive plan.
2. The City of Berkeley Dollar Home Program will positively impact the community by enabling the City to repurpose and utilize its land assets to progressively build a resilient and sustainable community through home and business ownership. In order to increase home and business ownership, facilitate family self-sufficiency through asset building and establish permanency and pride within the City, it is necessary to stabilize neighborhoods through the rehabilitation of single-family houses and businesses as well as to develop infill lots with newly constructed homes and business. By the aforementioned means the City will have increased affordable housing stock through the improvement of residential structures or the construction of new homes on vacant lots.

Section 400.1305. Definitions.

For purposes of this Article, the following terms shall have the meanings set forth below:

1. "Substandard Property" means any residential or commercial structure or vacant lot that meets one or more of the following criteria: (1) has been vacant for at least 12 consecutive months; (2) has outstanding code violations that would cost 50% or more of the property's current market value to remedy; (3) has been declared a nuisance property pursuant to City Code; or (4) has been condemned or deemed uninhabitable by the City's Building Commissioner.
2. "Owner-Occupant" means a natural person or family who purchases property through this program and maintains it as their primary residence or primary place of business for a minimum of five years from the date of occupancy.
3. "Development Project" means any purchase of five or more properties within a 24-month period or any project requiring an investment of \$500,000 or more.
4. "Rehabilitation" means the process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values.

Section 400.1310. Program.

The Dollar Home Program will be implemented by the City of Berkeley as a local housing/business program offered through the Economic Development Office. The City of Berkeley will maintain a catalogue of properties located in the City that are eligible for the program. Said eligible properties **shall be selected by**

**the City Manager** and all catalogues shall be subject to **final approval by the City Council**. Catalogues shall be updated on an annual basis at the beginning of each new fiscal year published no later than July 31<sup>st</sup> annually. All properties sold as a part of the program shall be subject to the City's "Right of Re-entry" Special Warranty Deed for a period of no more than twenty-four (24) months for new construction projects. All properties sold as a part of the program shall be subject to the City's "Right of Re-entry" Special Warranty Deed for a period of no more than eighteen (18) months for rehabilitation projects. Purchases of more than five (5) at a time shall be classified as a "development project" and are subject to the approval of the Planning & Zoning Commission. At the City Manager's discretion properties may be sold at prices higher than \$1. Additionally, the program is to be utilized for and by Community Gardens and other City Manager approved not-for-profit purposes. All properties part of the Dollar Home Program that are to be used for any purpose outside of residential use must go before the Planning & Zoning Commission. All properties that were sold under the program before May 1, 2025 and still pending a final inspection shall be issued Special Warranty Deeds to replace the former Quit Claim Deed Structure. Additional closing documents may be required to update the sale of those properties.

#### Section 400.1320. Eligibility.

1. The program will be available under the following guidelines:
  - a. All properties are to be offered in "as is" condition.
  - b. Present verifiable proof of funding guarantee (financing) that will cover the cost of the home purchase, renovations and repairs that will bring the home to required livable standards established by the City's housing maintenance code.
  - c. If interest is shown in a lot or derelict home immediately adjacent to an owner-occupied home in the City, the property owners will be notified. Precedence will be given to the owners of those adjacent properties/Berkeley residents to acquire the abandoned lot. All properties sales shall prioritize Berkeley residents if multiple parties are interested. Should the adjacent homeowner have interest, the lots will be offered to them first under the following conditions:
    - i. Applicants must have paid all real estate taxes on all properties that they own in the City
    - ii. Applicants must have no outstanding violations on their previously owned property.
    - iii. The lots must be re-platted to become a single lot if adjacent to purchaser's currently owned property (the City will provide platting services), or
    - iv. Building permits on new construction, including demolition if applicable, must be initiated within 120 days of property transfer or the property reverts to City ownership.
    - v. Should those conditions be met, the lot(s) may be sold for \$1 to the new owner.
  - d. The dollar home program will be offered as an incentive to any interested non- institutional party to improve lots in the community. Should there be interest, the lots will be offered to them under the following conditions:
    - vi. Building permits on new construction, including demolition, must be initiated within 120 days of property transfer or the property reverts to City ownership.

- vii. Should this condition be met, the lot(s) may be sold for \$1 to the new owner.
- e. If a property, whether land or structure, that has been deemed to be a part of the Dollar Home Program is found to be occupied without properly following the procedures outlined in this ordinance, or occupied without the City's prior written consent then the current occupants shall be deemed trespassers. In these types of situations trespassers will be given the benefit of the doubt and will be prompted to go through the application process like any other applicant. If trespassers are notified three (3) times and refuse or neglect to go through the proper Dollar Home Program application process, then the City reserves the right to repossess the property in question due to trespassing as the City is the true owner. If such a repossession takes place, then trespassers shall be banned from participating in the Dollar Home Program in the future. After the repossession process has begun, but not yet finalized, and the trespasser(s) still wants to possess the property then they shall be given the opportunity to purchase the property in question at the fair market value of said property on the date of the first notice of violation. If said trespasser(s) are deemed to be squatters under the definition of Missouri State Law, then the City reserves the right to sue trespassers for possession of the property and any legal remedies that the City Attorney deems fit.
- f. If a Dollar Home Property is a vacant lot, whether stand alone or adjacent to a neighboring resident that would like to purchase said lot, such a lot is required by the City to have a fence constructed around it within 120 days of the sale. The planned fence construction must be approved by the Planning & Zoning Commission.

#### Section 400.1330. Application Process.

1. A completed application packet must be submitted to the Economic Development Office for review and recommendation to the City Council. This portion of the process can take up to thirty (30) days to complete. The application must be complete to be eligible for review.
  - a. The applicant will return fully executed with their signature the "Berkeley Dollar Home Disclaimer" and the "Berkeley Dollar Home Visitor Release" included in the application packet.
  - b. The prospective buyer will inspect the property and prepare a project plan and budget.
  - c. Buyers will be required to use licensed service providers to install electrical, plumbing, and HVAC systems, if work on those systems is required.
  - d. All plans for renovation and construction must be reviewed and approved by the City of Berkeley Public Works Director or designee. This process may require the applicant to undergo exterior appearance review and site inspection by a Berkeley Inspector before the application is presented to the City Council.
  - e. Applications to purchase property under the Dollar Home Program will be reviewed by staff to determine eligibility.

- f. Staff will provide a recommendation to the City Council for approval and ordinance issuance. Applicants must appear in person at the time of City Council's review of the application.
- g. Upon application review, the City Council reserves the right to add and/or amend requirements for the approval of applications.

#### Section 400.1340. Authorized Financing.

1. As stated in the above sections, applicants must provide proof of financing capabilities to carry out their planned/proposed project. The City of Berkeley will allow projects to be self-financed under the following conditions for both individuals and entities alike:
  - a. The applicant must provide proof of funds through any of the following or in combination thereof: bank statements, tax returns, accounts receivable, contracts, current employment, paycheck stubs, financial portfolios, or any additional proof of financing requirements requested by the Economic Development Department.
  - b. The prospective buyer must demonstrate that funds have been acquired or will be acquired by legal means and have no connection to illicit activities.
2. As stated in the above sections, applicant must provide proof of financing capabilities to carry out their planned/proposed project. The City of Berkeley will allow projects to be financed by either conventional or private lenders under the following conditions for both individuals and entities alike:
  - a. The applicant must provide proof of financing through a reputable conventional or private lending institution/entity. Private individuals acting as lenders are acceptable, but may be subject to a background check which may request proof of the origination of said lender's funds.
  - b. Lenders, regardless of their type, will be required to sign with the City of Berkeley an Intercreditor and Subordination Agreement that protects the City's economic interest in the property by recognizing the City's "Right of Re-Entry" to the property if applicant does not complete the project within the allotted time frame at no fault of the City.
  - c. All financing, other than self-financing, is required to have Private Mortgage Insurance (PMI) that covers no less than 30% of the loan value in the case of default.
  - d. All financing, other than self-financing, is required to have proof of a twelve (12) month interest reserve to help ensure that for at least a twelve (12) month period, or during construction, that said financing will not go into default.
  - e. All projects that secure financing other than self-financing must hire a General Contractor that has the capability to issue a Guaranteed Maximum Price (GMP) backed by a Payment and Performance bond. Said bond must be for the entire construction budget/loan amount. This will help cover/protect the remaining 70% of the loan balance that PMI doesn't cover.

- f. All projects that secure financing other than self-financing must maintain an active Builder's Risk policy totaling the sum of the construction budget/loan. Builder's Risk policy shall serve essentially as Homeowner's Insurance during the construction phase.

#### Section 400.1350. Purchase & Closing Processes.

1. Self-Financing. For purposes of this section "Self-Financing" shall be a blanket term that encompasses all financial means coming from or that will come from an applicant's own capital reserves or financial wherewithal without any additional outside financing encumbering the property. Applicant's self-financing is not allowed to encumber the property.

The steps below represent only one potential scenario that could take place during an applicant's purchase and closing process. Other scenarios could potentially take place, and the Economic Development Department at its own discretion may do away with multiple steps, create additional requirements, or ultimately determine that a closing is not possible for a property at any step during the process. The following are potential steps for a pathway through property purchase to closing:

- a. Step 1) Complete and return the fully executed "Berkeley Dollar Home Disclaimer" and "Berkeley Dollar Home Visitor Release" included in the "Berkeley Dollar Home Application" packet.
- b. Step 2) Complete and return the fully completed "Berkeley Dollar Home Application". Must include the fully executed "Berkeley Dollar Home Mechanics Lien Waiver".
- c. Step 3) Once approved first by the Economic Development Department and then second by the City Manager, as well as the Planning & Zoning Commission if applicable, the applicant must attend all Council Meetings concerning the sale of the property until a final decision is made by the City on the transaction. Please note that an approval or combination of approvals from the Economic Development Department, City Manager, and/or the Planning & Zoning Commission does not guarantee final approval by the City Council.
- d. Step 4) Once final approval of the sale is made by the City Council "Berkeley Dollar Home Closing Documents" will be issued to applicant. Said Closing Documents must be executed in their entirety and include but are not limited to the "Berkeley Dollar Home Affidavit", the "Berkeley Dollar Home Special Warranty Deed", the "Berkeley Dollar Home Deed of Trust" and the "Berkeley Dollar Home Property Improvement Agreement".
- e. Step 5) Once closing documents are executed and the sale of the property is final; applicant must record necessary closing documents at St. Louis County. Construction can begin after the acceptance by Economic Development Department of closing documents being recorded. Such acceptance must be in writing from the department. Please note that all construction must be completed within the allotted time. All recording costs are to be covered by applicants.
- f. Step 6) After construction is completed the applicant must apply for an occupancy permit and pass an inspection by the City of Berkeley.
- g. Step 7) After property passes all necessary inspections, and before occupancy permit is officially issued, applicant must sign a "Berkeley Dollar Home Deed of Trust Release" and

subsequently a “Berkeley Dollar Home Quit Claim Deed” releasing the property of all claims from the City of Berkeley.

- h. Step 8) Applicant must then record the “Berkeley Dollar Home Deed of Trust Release” and “Berkeley Dollar Home Quit Claim Deed” at St. Louis County and provide proof to the Economic Development Department. All recording costs are to be covered by applicants.
  - i. Step 9) After proof of quit claim deed recording is accepted by the Economic Development Department in writing, applicant will be issued an occupancy permit for the property.
- 2. Bank Financing. For purposes of this section “Bank Financing” shall be a blanket term that encompasses traditional bank or financial institution financing as well as private lenders whether they be private companies, individuals, or any other entity that applicant is receiving financing from to complete the project.

The steps below represent only one potential scenario that could take place during an applicant’s purchase and closing process. Other scenarios could potentially take place and the Economic Development Department at its own discretion may do away with multiple steps, create additional requirements, or ultimately determine that a closing is not possible for a property at any step in the process. The following are potential steps for a pathway through property purchase to closing:

- a. Step 1) Complete and return the fully executed “Berkeley Dollar Home Disclaimer” and “Berkeley Dollar Home Visitor Release” included in the “Berkeley Dollar Home Application” packet.
- b. Step 2) Complete and return the fully completed “Berkeley Dollar Home Application”. Must include the fully executed “Berkeley Dollar Home Mechanics Lien Waiver”.
- c. Step 3) Once approved first by the Economic Development Department and then second by the City Manager, as well as the Planning & Zoning Commission if applicable, the applicant must attend all Council Meetings concerning the sale of the property until a final decision is made by the City on the transaction. Please note that an approval or combination of approvals from the Economic Development Department, City Manager, and/or the Planning & Zoning Commission does not guarantee final approval by the City Council.
- d. Step 4) Once final approval of the sale is made by the City Council “Berkeley Dollar Home Closing Documents” will be issued to applicant. Said Closing Documents must be executed in their entirety and include but are not limited to the “Berkeley Dollar Home Affidavit”, the “Berkeley Dollar Home Special Warranty Deed”, the “Berkeley Dollar Home Deed of Trust”, the “Berkeley Dollar Home Property Improvement Agreement”, and the “Berkeley Dollar Home Intercreditor & Subordination Agreement”.
- e. Step 5) Once closing documents are executed and the sale of the property is final, applicant must record necessary closing documents at St. Louis County. Construction can begin after the acceptance by Economic Development Department of closing documents being recorded. Such acceptance must be in writing from the department. Please note that all

construction must be completed within the allotted time. All recording costs are to be covered by applicants.

- f. Step 6) After construction is completed the applicant must apply for an occupancy permit and pass an inspection by the City of Berkeley.
  - g. Step 7) After property passes all necessary inspections, and before occupancy permit is officially issued, applicant must sign a "Berkeley Dollar Home Deed of Trust Release" and subsequently a "Berkeley Dollar Home Quit Claim Deed" releasing the property of all claims from the City of Berkeley.
  - h. Step 8) Applicant must then record the "Berkeley Dollar Home Deed of Trust Release" and "Berkeley Dollar Home Quit Claim Deed" at St. Louis County and provide proof to the Economic Development Department. All recording costs are to be covered by applicants.
  - i. Step 9) After proof of quit claim deed recording is accepted by the Economic Development Department in writing, applicant will be issued an occupancy permit for the property. All recording costs are to be covered by applicants.
  - j. SPECIAL NOTE: All recording costs associated with St. Louis County recording of deeds, liens, or other closing documents are to be borne by applicant. All documents that have to be recorded at St. Louis County shall be recorded and paid for by applicant in the presence of a(n) Economic Development Department representative or the City Manager.
3. Closing Conditions. City Manager consent in writing is required for all financing that encumbers the property. All appraisers, contractors, lenders, and insurers must be approved by the Economic Development Department in writing. Must maintain Economic Development Approved Builder's Risk Insurance during the full term of construction phases through to occupancy. City must be listed as a loss payee after lender on all insurance until occupancy.
4. Upon approval of the Dollar Home Program application, buyers must obtain title insurance or sign a waiver foregoing title insurance before closing. Title insurance ensures that there are no prior liens or judgments against the property. Additionally, applicants agree that they will submit all change orders, revised, updated renovation or construction plans and budget to the Building Commissioner's Office for approval.

#### Section 400.1360. Indemnification and Risk Management.

- 1. All participants in the Dollar Home Program shall execute an indemnification agreement holding the City of Berkeley, its officers, employees, and agents harmless from any claims, damages, losses, and/or expenses arising from their participation in the program or subsequent ownership of the property.
- 2. The City shall not be liable for any defects, structural or otherwise, in any property sold through this program. All properties are sold "as-is" with no warranties expressed or implied.



#### Section 400.1370. Enforcement and Penalties.

1. The Building Commissioner and Economic Development Director shall have primary responsibility for enforcing this Article.
2. Violations of any provision of this Article shall constitute a municipal offense punishable by a fine of not more than \$1,000 per day of violation.
3. In addition to other remedies, the City may take several enforcement actions to address violations. The City maintains the authority to revoke any permits issued in connection with the property and exercise its right of re-entry when necessary. To prevent continued violations, the City may seek injunctive relief through appropriate legal channels. Furthermore, the City reserves the right to place a lien on the property to recover any costs incurred in remedying violations. The City may also bar violators from future participation in any city programs to ensure program integrity and protect municipal interests.
4. The City Attorney is authorized to pursue any legal remedies necessary to enforce this Article or protect the City's interests in properties sold through this program.

#### Section 400.1380. Program Review and Reporting.

The Economic Development Director shall prepare and submit an annual report to the City Council no later than March 1st of each year. This report shall provide a comprehensive analysis of the Dollar Home Program, including the total number of properties sold through the program, current status of all rehabilitation and construction projects, and overall program compliance rates. The report shall also analyze the program's economic impact on surrounding property values and detail any revenue generated or costs saved by the City through the program's implementation. The Director shall conclude the report with specific recommendations for program improvements based on the year's operational experience.

The City Council shall conduct a biennial review of the Dollar Home Program to ensure its continued effectiveness and alignment with City objectives. This review shall include a thorough assessment of program effectiveness, consideration of potential modifications to program requirements, and evaluation of resource allocation. The Council shall also examine the program's alignment with the City's comprehensive plan and review all enforcement actions and compliance rates from the preceding two-year period. Based on this review, the Council may implement necessary adjustments to enhance program performance and better serve the community's needs.

#### Section 400.1390. Severability.

If any section, subsection, sentence, clause, phrase, or portion of this Article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

#### Section 400.1395. Emergency Clause.

This ordinance, being necessary for the immediate preservation of public peace, health, safety, morals or welfare, shall be in full force and effect immediately upon its passage by the City Council.