



# Housing Authority of the City of Columbia, Missouri

## Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: May 21, 2013

RE: Affordable Housing Initiative Report for May 2013

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The following is an update on the CHA's Affordable Housing Initiative for the past month. Updates are organized by topic.

### **Garth and Sexton Development Planning Process**

The planning process of the development of our properties, and those owned by the City of Columbia and the Columbia Community Development Corporation (CCDC) continues to meet on the first and third Thursdays of the month with the following members of the "working group":

- CHA: Phil Steinhaus, Rick Hess, Mary Harvey, and Greg Willingham
- City of Columbia: Tim Teddy and Randy Cole
- CCDC: Mike Crist
- ND Consulting Group: Ken Nuernberger, Sean King, and Paul Berry

### **Naming the Sites**

- **Kinney Point:** The CHA Board approved naming the Northeast property development after the late CHA Commissioner, Mr. Marvin Kinney.
- **McQuitty Square:** The CHA Board tentatively approved naming the Southwest property development after Luther McQuitty, an African-American contractor and realtor in Boone County who built the Shotgun House in 1910 that stood on the corner of Garth and Worley and is now located in the Boone County Historical Society's "Boone Junction."

### **Community Meetings**

- An in-depth presentation of the initial concepts for the two affordable housing developments was presented at a neighborhood meeting on Thursday, April 18, 2013 at Oak Towers. A summary of the comment card responses is attached.
- A community/neighborhood presentation on the Low-Income Housing Tax Credit (LIHTC) Program and the Rental Assistance Demonstration (RAD) Program is scheduled for Thursday, May 30, 2013 at 6:30 p.m. at Oak Towers.

### **CDBG Application**

- The CHA Board approved an application for \$200,000 in CDBG funds from the City of Columbia for infrastructure improvements to the McQuitty Square site (Southwest corner.)

### **Demolition and Maintenance**

- The two dilapidated structures on 700 Oak Street and 105 Lynn Street have been removed.
- Mowing services have been arranged for all properties.

## Development Issues

- The planning team met with key employees of the City of Columbia's Public Works Department to review the camera footage of the storm water tunnel and discuss sanitary sewer issues in this area. Phil Steinhaus and Rick Hess also met with City Manager, Mike Matthes to review storm water maps and storm water issues related to the development on the Southwest corner of Garth and Sexton. We will continue the dialogue about how the CHA can work with the City of Columbia to improve the entire neighborhood's storm water and sanitary sewer systems.

## Preliminary Design Discussion

- Working with the planning group, the architectural arm of our consulting team, Sean King & Paul Berry of Capital Consultants (CCI), developed initial design concepts that were presented at the April 16 Board meeting and the April 18 neighborhood meeting. In general the design concepts for both sites were well received.
- Suggestions from the April 18 neighborhood meeting included the following:
  - **Kinney Point**
    - Add porches and/or balconies facing Sexton Street.
    - Add a porch design to the west side of the building facing Garth.
    - Additional community space for residents and office space for services.
  - **McQuitty Square**
    - The live-work housing units were not well received by some participants as they would be market-rate units and not affordable to lower income families.
    - Stormwater issues were a big concern.
    - Additional sidewalks crossing the property were suggested.

## Financing Issues

- **Kinney Point:** It is being recommended that an application for Low-Income Housing Tax Credits (LIHTC) be submitted for the Kinney Point development in September 2013.
- **McQuitty Square:** Due to the number of partners involved in the McQuitty Square development, it is felt that the planning and financing processes will require additional time, so it is being recommended that this site be developed separately with financing other than the LIHTC program.

## Ongoing discussions

- Site control and property ownership and related legal issues.
- Securing architectural services.
- Securing construction services
- Financing options and time frames for application submissions.
- Development timelines.
- Public engagement plan and communication with neighborhood associations.

## **Legal Issues**

CHA staff and Ken Nuernberger met with Marjorie Lewis from the Columbia law firm of Brown, Wilbrand, Simon, Powell, and Lewis and Jack Pletz from the Jefferson City law firm of Pletz and Reed, P.C. to discuss various legal issues related to the use of the Low-Income Housing Tax Credit Program to finance affordable housing developments and renovations. Mr. Pletz provides legal advice to the Jefferson City Housing Authority and has worked with them on four previous affordable housing developments and/or public housing renovations that utilized the Low-Income Housing Tax Credit Program.

The discussion focused on which firms that the CHA should use for various specialized legal services related to the Affordable Housing Initiative including tax credit and bond attorneys, setting up limited partnerships and LLC's, establishing a Community Housing Trust, and attorneys specializing in HUD regulations related to affordable housing development by Public Housing Authorities. It was felt that the CHA should employ the services of a local attorney to provide general legal advice to the CHA who would also be able to consult with a variety of other attorneys who specialize in a wide range of affordable housing development issues.

We will be issuing an RFP for legal services in the future that will incorporate the legal services that we need for the development process as well as the CHA's other legal needs.

## **Neighborhood In-Fill Projects**

The City of Columbia has transferred the title for the land and properties located at 904 Madison Street and 711 Mikel Street for the purpose maintaining the property as an affordable rental or owner occupied housing. Both of these properties were acquired and renovated through the Neighborhood Stabilization Program and will be rented to income-eligible families with incomes at or below 50% of the Median Family Income.

A lease and a set of house rules and policies have been developed and we are ready to start leasing the properties with the Board's approval. We are proposing to make both properties smoke-free and prohibit pets.

## **McBaine Townhomes**

The four-year rental period for these five townhomes has been completed as required by the HOME Rental Production Program. These townhomes can now be converted to homeownership properties and sold to the occupants or other income-eligible families. An assessment of each townhome will need to be completed and legal descriptions developed for each townhome so they can be sold as separate units. It is my recommendation that the land should remain in a housing trust to ensure compliance with HOME regulations, proper long-term maintenance, and owner occupancy.

## **Community Housing Trusts, Housing Trust Funds, and Land Trusts**

CHA staff convened a meeting with interested parties to discuss the formation of a Community Housing Trust, a Housing Trust Fund, and a Land Trust. More detailed information on all three topics is contained in a separate report to the Board for May 21, 2013.

Interested parties attending the meeting included CHA staff, the City Manager and City Planning Department Staff, the Columbia Community Trust, Job Point, and the Columbia Community Development Corporation. The discussion went very well and all parties were very interested in moving forward with forming a Community Housing Trust. CHA staff agreed to take the lead and reconvene at a later date.

### **Strategic Planning Process Update**

In conjunction with our Garth/Sexton development planning meetings, ND Consulting Group, Capital Consultants and CHA are continuing to meet on the first and third Thursdays of the month to continue our work on the strategic plan. The progress has been hampered somewhat by other planning deadlines and activities and we will continue to refine the plan document until it is ready for presentation to the Board. Our goal is to have a draft of the plan ready to present for Board comment at the June 18, 2013 Board meeting.

As noted previously, due to the complex nature of affordable housing development and the enormity of the task of revitalizing and preserving public housing, the strategic planning process will be an on-going process that will be subject to continuous revisions and planning updates based on evolving development opportunities and available financing options.

### **Public Housing Revitalization Planning Process**

Also in conjunction with our Garth/Sexton development planning meetings, ND Consulting Group, Capital Consultants and CHA are meeting on the first and third Thursdays of the month to continue the planning process for the revitalization of our aging public housing units. We are considering the feasibility of applying for the 4% Low-Income Housing Tax Credit (LIHTC) funding in September 2013 or possibly in March 2014. We would like to coordinate the development of affordable housing at the Garth-Sexton development site with the renovation of the Lincoln-Unity Townhomes as this would give us additional options for the relocation of public housing residents during the renovation process.

There are still considerable questions that need to be researched regarding the potential use of the HUD Rental Assistance Demonstration (RAD) Program that would convert our public housing operating subsidies to long-term project-base vouchers that provide a stable rent necessary to leverage LIHTC and other external funding to complete the revitalization process. Public housing operating subsidies fluctuate from year to year based on the HUD "proration" of these subsidies. Public housing operating subsidies are not stable enough to provide the confidence that investors need when investing in tax credits.

As noted in the March 19, 2013 Board report on the impact of sequestration on the Columbia Housing Authority and housing authorities in general, HUD representatives issued the following statement: *"The renovation and revitalization of our aging public housing stock may also be significantly affected by sequestration and the pro-ration of public housing operating subsidies."*

The LIHTC and RAD programs are both necessary to ensure the ability of the CHA to leverage external funding for the renovation of our aging public housing units. These programs offer complementing opportunities for financing public housing renovations. Each program entails its own set of complex regulations that need to be studied more in-depth in order to make the best possible decision for the preservation of the CHA's oldest public housing units and the associated rental subsidy assistance for current and future residents. As the analysis of these funding options goes hand-in-hand with the CHA's Strategic Planning Process, I feel that it is necessary to try to finalize the planning process before making any decisions as to the next steps in the public housing revitalization process.

Additional information on the LIHTC and RAD programs will be presented at the May 21, 2013 CHA Board meeting.

Join Us!



## Community Meeting

# Renovating Public Housing & Building Affordable Housing

## Using Low-Income Housing Tax Credit Program & HUD's Rental Assistance Demonstration Program

**Date:** Thursday, May 30, 2013  
**Place:** Oak Towers, 700 N. Garth Ave.  
**Time:** 6:30 – 8:00 p.m.

Please join the Columbia Housing Authority (CHA) for an informational presentation about the Low-Income Housing Tax Credit (LIHTC) Program and HUD's Rental Assistance Demonstration (RAD) Program.

**LIHTC Program:** The CHA will provide a detailed explanation of how the Low-Income Housing Tax Credit Program can be used to renovate Public Housing as well as to develop new affordable housing.

**RAD Program:** The CHA will present an overview of the Rental Assistance Demonstration Program and explain how it can be used with the Low-Income Housing Tax Credit Program to renovate Public Housing.

### Meeting Agenda

- Demystifying the Low-Income Housing Tax Credit (LIHTC) Program.
- Overview of the HUD Rental Assistance Demonstration (RAD) Program.
- Question and Answer Session.

If you wish to participate in the meeting and require specific accommodations or services related to disability, please contact Ms. EITonya Rhoades, Executive Assistant at (573) 443-2556, extension 1122, or (573) 875-5161 (TTY) at least one working day prior to the meeting.



# Affordable Housing Initiative

*Affordable ❖ Accessible ❖ Energy-Efficient ❖ Healthy ❖ Safe ❖ Well-Maintained*

## Neighborhood Meeting Comments CHA Affordable Housing Development Garth Avenue & Sexton Road

**Date:** Thursday, April 18, 2013 **Place:** Oak Towers, 700 N. Garth Ave. **Time:** 7:00 p.m.

### Public Comment Card

Please answer the following questions and include your comments. You may use the back of the card.

	Yes	No	Unsure
I believe that there is a great need for affordable housing in Columbia.	18	1	1
I like the housing concepts and plans presented by the CHA tonight.	13	3	2
I believe the CHA does a good job in managing public housing.	14	2	4
I support the work of the CHA to develop affordable housing.	16	2	3
Describe your level of support for the City of Columbia donating the 106, 108, and 110 W. Sexton properties to the Columbia Housing Authority for the development of affordable housing?	Very Supportive	Somewhat Supportive	Not Supportive
	15	5	0

### Concerns or comments regarding 106, 108, and 110 W. Sexton properties:

- Please include gardening plots such as at SE corner of Oak Towers for residents to grow vegetables and such.
- Thanks for donating and helping improve the community.
- Will the cost of 1 bedroom be [based] on 30%/HUD?
- My preference would be to see old houses restored.

- Be sure to get the water problems under the properties fixed – drainage, be sure there are no springs underneath BEFORE you build. This area has a lot of problems regarding water.
- Water is a problem under these lots. In presentations start out: Not Public Housing and say it several times.
- Need to explain more about it.

**General Comments from the Back of the Comment Card:**

- Line-work is not affordable housing
- Unhappy this won't address low income needs for housing.
- I am cautious about the live/work space becoming unaffordable; although I am hopeful it will assist entrepreneur start-ups in the area.
- I like the idea of affordable housing for low income individuals/families. I'm just concerned that we continue to have waiting lists for the lower of below housing eligible people would be good to have facts and figures to make a case for affordable vs. public housing – Could there be a better term for this?
- Especially one bedroom units.
- Very impressed with changes over past couple of years.
- Would the City be able to provide washers/dryers in the 40-unit building?
- It is very hard to find a 1 bedroom apartment. We need this development.
- Obviously a lot of work went into this.
- Absolutely. Other developers are in it for the money. We can trust CHA to think of the community's need first and foremost.
- I'm enjoying the future plans for housing as mentioned but don't have interest in living outside of Columbia. I feel HUD and CHA should focus on eliminating children and parents, single or young adults, one's ability to community, children and young adults so far stretched and difficult to come to a civil understanding all over America today.
- I believe affordable neighborhoods need more support.
- They are ugly. They could be much prettier.
- I think they do well at Oak Towers. But I have heard they can't get rid of bed bugs at Paquin.
- I think it is very important to be consistent with architectural patterns in neighborhood. (eg. Front porches, grid patterns, no blank walls facing streets etc.)
- Please consider sustainable buildings and not just well insulated but built using net zero and environmental design. Not houses that are always on artificial life support systems.
- You mentioned a meeting every week. Why not invite neighborhood and community representatives to participate?
- I find it hard to believe we can't have porches because MHDC listens to slum lords.
- I like the plan to have parking in back but please have doors and walks to the street.
- I think the live/work idea would work well on Providence but there would have to be specific zoning to that we would not have live/work payday loan businesses.

- The 40 units look like a Red Roof Inn hotel design. It's not attractive, there isn't much green space, and if one unit is infested with bugs then the entire complex would be infested.
- You need one "office" or desk space for 40 units; laundry in the building make it 38. Reality for individual's necessary safety and cleanliness and trash chute.
- Laundry, common entrance ok if monitored. Single elevator for 40 (wheelchair?) escape not enough – Old folks with canes? Visiting grandkids? Should have one laundry on each floor and janitor room for hall – Need a common area – Everyone can't get across the street.
- I noted on my way here, Garth (between Ash and Sexton) has some housing slipping to questionable. I', sure realtors have noticed, too and may be eying it for their developments.
- One laundry [facility] per floor might be a good idea. 38 units /2 laundries and one common unit/office brings [it] to 37 units.
- Looks expensive.
- Make an area to pull up in front and park to go get people for MD appointments etc.
- One elevator for wheelchairs for tornado warnings? Or hit by lightning (Kelly Ridge).
- Take care of underground water and flow-thru water – SW – the front lots (on Sexton) also have swamp water problems – that's why the lots are as they are – water.
- Back door on the one bedrooms? Fires on stoves can trap folks – One bedroom, single person, or is a couple allowed? Care of one individual by another?
- Don't agree with live/work.
- I think it will be very nice.
- NO comments on those properties. I do feel more explanation/clarity on "Affordable" versus Public Housing for the people attending the meeting. I don't think most attending tonight understand differences. Thank you for a great meeting.
- It appears that the greater need is for housing which has much lower rent than affordable housing.
- Except for people who can afford affordable housing but doesn't meet the enormous need in Columbia.
- I believe indeed it has done better for things over the years but it is this kind of housing which is needed.
- No not when the people in the hundreds and thousands who need housing would not be able to afford affordable housing.
- How can CHA involve themselves in this level of housing when waiting lists for people who can't afford this are in the hundreds and thousands? And CHA is giving so much time and effort to this affordable housing situation and apparently now ignoring the needs for this affordable housing option – it would appear that CHA is deviating dramatically from its major mission.