



Housing Authority of the City of Columbia, Missouri

Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: March 17, 2015

RE: Affordable Housing Initiative Report

The following is a current status report for the Columbia Housing Authority's (CHA) Affordable Housing Initiative which includes any significant activity for the past month. All Affordable Housing Initiative reports and information (current and archived) are on our website at www.ColumbiaHA.com, under "What We Do" / "Affordable Housing Initiative".

Recent Activity (February 2015 & March 2015)

Patriot Place – Apartments for Veterans

We have submitted the documents required for the Firm Submission process with the Missouri Housing Development Commission (MHDC) and are hoping to close on all aspects of the Low-Income Housing Tax Credit and tax-exempt bond financing in the next few weeks. Approval of the tax-exempt bond financing documents is on the Board agenda for March 17, 2015.

The financing for the Patriot Place – Apartments for Veterans is more complex than a normal Low-Income Housing Tax Credit project with tax-exempt bonds since there is also funding from the Federal Home Loan Bank, Missouri Foundation for Health, and private donations, all requiring their own set of legal documents related to the project. The last month has involved considerable time in developing all the required legal documents.

We are very close to finalizing all of the property sales agreements for the Patriot Place – Apartments for Veterans, Welcome Home, and the Columbia Community Housing Trust (Patriot Park purchase.)

We are working with Chris Ahrens from Gilmore and Bell to complete the bond documents. Peter Czajkowski and Gina Martin from Stifel are our placement agents for the Bond and Boone County National Bank is purchasing the bonds. We are also coordinating the financing package with our federal and state tax credit equity partners, Red Stone Equity Partners, LLC and Sugar Creek Capital who will be syndicating our tax credits.

Team Rubicon

Team Rubicon came out in force on February 28 & March 1 and completed a two-day weekend of interior demolition and clean up on our site and the Welcome Home units. There were over 100 volunteers the first day, and around 50 volunteers the second day.

News articles are attached.



Stuart Parker Apartments with Paquin Tower

We are currently working to complete the firm submission process for the Stuart Parker Apartments with Paquin Tower project.

Construction documents and bid packets have been completed and bids were received for Stuart Parker on December 19, 2014. Construction bids for Stuart Parker are being evaluated by E.M. Harris Company, our General Contractor for the project.

Bid documents are still being finalized for Paquin Tower and will be sent out later this month. We have come up with some cost-saving measures for the accessible shower enclosures and are hoping that we can use this and other cost-savings on the project to enable us to include replacing the flooring in all of the residential units as well as the hallways. The original plan for Paquin Tower only included replacing the flooring in the common hallways on each floor as the hallways were much more worn than the apartments. This was a cost-containment issue.

Our current plan is to replace the current VCT tile with wood textured vinyl planking that is very durable and much better looking than the current tile. We want to include this in all apartments as well as painting all of the apartments while replacing the cabinetry and appliances. This will require us to temporarily relocate Paquin Tower residents within the building. Our plan is to relocate everyone from the second floor and then complete the renovations one floor at a time, moving residents from the third floor down to the second floor once complete, and so on, as we work our way up the building.

Bond Financing

The financing package for the tax-exempt housing bonds for Stuart Parker Apartments with Paquin Tower was issued and the low bid from Providence Bank for the \$7,400,000 in construction bonds (B Bonds) was accepted. The rate was very favorable. The permanent loan financing of the \$4,500,000 in A Bonds will take place at a later date. The A Bonds will be sold in various packages related to maturity dates which will bear different interest rates.

Equity Partners

We have received Letters of Intent (LOI) from our federal and state tax credit equity partners, Red Stone Equity Partners, LLC and Sugar Creek Capital who will be syndicating our tax credits.

As we complete the financing packages for each project, we are also submitting our final documents and cost estimates to MHDC to close each deal. When these two processes are complete, we will close on each project and transition into the construction phase. The construction schedule will be finalized once each deal is closed.

We are also working to complete the corresponding milestones in the Rental Assistance Demonstration (RAD) program process and crafting our tenant relocation plans for the Stuart Parker Apartments and Paquin Tower. As noted previously, our plan is to relocate Paquin Tower residents within the building one floor at a time.

Bear Creek Apartments

The Bear Creek Apartments project received an award of 260,353 4% low-income housing tax credits and tax exempt bonds from the MHDC on December 5, 2014 in the following amounts:

- Federal LIHTC - \$260,353
- State LIHTC - \$260,353

The documents for the conditional reservation of credits have been submitted to the MHDC and we are moving forward with completing the Physical Conditions Assessment (PCA) and construction bid documents. Crockett Engineering has completed the required ALTA survey and David Schau and Associates are working on completing the required environmental studies.

Equity Partners

We have received Letters of Intent (LOI) from our federal and state tax credit equity partners, Mid-West Housing Equity Group and Gardner Capital who will be syndicating our tax credits.

Oak Towers

The current agenda contains a resolution for the Board to approve the submission of our application for our RAD CHAP (Commitment to enter into a Housing Assistance Payments contract) for our Oak Towers project.

We will be submitting an application for 4% Low-Income Housing Tax Credits and tax-exempt Multifamily Housing bonds in September 2015, however, our deadline for submitting our application for a RAD CHAP for Oak Towers was in December 2014. We missed the deadline for submission because it was my understanding that we could wait until we received LIHTC funding to submit our RAD CHAP application. Once I discovered my mistake, we were advised to submit our application as quickly as possible and request an extension of our submission date. If our application is not accepted, we can re-apply for RAD for Oak Towers since there are now about 20,000 units available under the expanded RAD program.

We are working with Dominion Due Diligence Group and PWA Architects to complete the RAD Physical Conditions Assessment (PCA) in order to determine the extent of the work required to make adequate renovations to Oak Towers as required by RAD. Key issues will be replacing the hot water boiler system and window air conditioners with a more energy efficient system, possibly converting Oak Towers to a ground-source geothermal heating and cooling system with heat pumps similar to what we did at Paquin Tower. We also need to make at least 5% of the units at Oak Towers accessible. The results of the PCA will drive our planning process. The current plan being submitted with the RAD CHAP application is our first rough draft of the scope of work for the project and will likely have significant revisions as we move forward in finalizing the budget and scope of work.

Housing Development Coordinator

I am pleased to report that we have hired Vicki Leighty as our new Housing Development Coordinator. Vicki comes to us with a wealth of knowledge working as a consultant to nonprofit agencies for the past 17 years. She has a great deal of experience writing and submitting grants, leading strategic planning, and conducting capital campaigns. Her organizational skills will be a huge asset to our team.

