



## Housing Authority of the City of Columbia, Missouri

### Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: September 15, 2015

RE: Affordable Housing Initiative Report

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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](http://www.ColumbiaHA.com), under "What We Do" / "Affordable Housing Initiative".

#### **Recent Activity (August & September 2015)**

##### **Patriot Place – Apartments for Veterans**

Construction is well underway at the apartments. The parking lot has been removed along with about five feet of unstable soil which has been replaced with stable, compacted soil. Framing of interior walls have commenced along with installation of plumbing and HVAC duct work. The footings have been poured for the stair wells as well as the new apartments. Once framing is complete, roof trusses will be placed on the building and roofing will begin. The parking lot will be installed before the end of October. Signage has been placed at the site.

##### **Stuart Parker Apartments with Paquin Tower**

We completed the firm submission process for the Stuart Parker Apartments with Paquin Tower project on Friday, July 17, 2015. We expect MHDC to complete the review and approval process before the end of September. This will result in closing the financing sometime in late October or early November with relocation and construction beginning as soon as feasible following closing.

We received the RAD Conversion Commitment (RCC) on August 7, 2015. This is the final approval stage from HUD for this project. A Closing Coordinator has been assigned to the project to help with the closing process.

We continue to work diligently on communicating with our residents on our relocation plans for the Stuart Parker Apartments and Paquin Tower. Now that the RCC has been issued, we can begin making moving arrangements for all residents. No residents will be moved until we close on the project. Our Relocation Coordinator Ms. Katie Howard has been conducting individual meetings with each family to coordinate their relocation during the renovation process.

We currently have 19 vacancies in our Stuart Parker Apartments and 114 vacancies in the balance of our Downtown properties. This will give us some flexibility to relocate Stuart Parker residents on property. We will also be issuing Section 8 Housing Choice Vouchers to create vacancies or for relocation purposes as needed.

For Paquin Tower, 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. The project schedule projects about 6 weeks to renovate each floor. We currently have enough vacancies in Paquin Tower to relocate every resident from the second floor into a similar unit on another floor.

Our Public Housing Managers have been putting in many hours to conduct the required low-income housing tax credit certifications that must be conducted at the beginning of any modernization/rehabilitation project. Our LIHTC Compliance Specialist, Jennifer Hahn has been assisting with this process.

### **Bond Financing**

During the reconciliation of the scope of work and preparing the final Pro Forma for our firm submission to MHDC, it was necessary to increase the value of the B Bonds (for construction) to \$8,400,000. Providence Bank, which provided the low bid for this project, approved the increase in the B Bonds by \$1,000,000.

We are working on finalizing the issuance of the permanent loan financing of the \$4,300,000 in A Bonds. The A Bonds will be sold in various packages related to maturity dates which will bear different interest rates.

### **Equity Partners**

Our federal and state tax credit equity partners, Red Stone Equity Partners, LLC and Sugar Creek Capital have provided very favorable rates for the sale of our tax credits. This was essential to finalizing the Pro Forma for this project.

### **Project Closing**

The MHDC will take about 60 days to review and approve our firm commitment submission. During that time we have been working on finalizing all other legal and financial aspects of the closing so that we can close on the project within 30 days after MHDC approves our firm commitment. We anticipate the Stuart Parker with Paquin Tower Apartments project to close by the end of October or early November 2015.

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### **Bear Creek Apartments**

The RAD Physical Conditions Assessment has been completed along with the final scope of work. Bid documents have been distributed with a submission deadline of July 15, 2015. We will finalize the scope of work in the coming week once the bids have been evaluated.

Unfortunately we have discovered that most of the ceilings (32 of 39 buildings) contain asbestos that must be abated or encapsulated. This has added significant costs to the project and we are working to find ways to reduce costs in other areas. We should have all costs finalized and complete the firm submission process for the Bear Creek Apartments project by September 18, 2015. Once submitted we expect MHDC to take 60 days or more to review and approve the documents. This will result in closing the financing sometime late November or December with relocation and construction commencing as soon as feasibly possible, most likely in January 2016.

### **Equity Partners**

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

**Oak Towers**

We have received our RAD CHAP (Commitment to enter into a Housing Assistance Payments contract) on September 9, 2015 for our Oak Towers project.

We also submitted our \$500,000 Affordable Housing Program grant application to the Federal Home Loan Bank Board (FHLBB) of Des Moines on June 30, 2015. Awards will be announced in November 2015. Our application scores very high and we believe we have a decent chance of receiving funding.

We submitted an application for 4% Low-Income Housing Tax Credits (LIHTC) and tax-exempt Multifamily Housing bonds to the Missouri Housing Development Commission (MHDC) on September 2, 2015. Awards will be announced in December 2015. On April 21, 2015, the CHA Board approved the submission of an application for \$245,000 in HOME funds from the City of Columbia to support this project. The City of Columbia Community Development Commission recommended \$80,000 in funding for Oak Towers on June 17, 2015.

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 by 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 8 of the units (5%) at Oak Towers fully accessible.

Current engineering and financing numbers appear to be very favorable for installing a hybrid ground-source geothermal system combined with a cooling tower. Heat pumps will be installed in each apartment at Oak Towers.

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**Bryant Walkway Apartments**

We submitted our application for our RAD CHAP (Commitment to enter into a Housing Assistance Payments contract) for our Bryant Walkway Apartments project on July 17, 2015. We are still waiting to receive these documents.

We resubmitted an application for 9% Low-Income Housing Tax Credits to the MHDC on September 2, 2015. This project was submitted in September 2014 but did not receive funding.

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**McQuitty Square Project**

We are proceeding with recommending the sale of the eight properties acquired by the CHA in the planning process for developing affordable housing at the McQuitty Square site. The City of Columbia is interested in purchasing these properties and developing affordable housing on this site as well as making other neighborhood improvements. Please refer to the additional documentation provided with Resolution 2685 related to approving the sale of these properties to the City of Columbia.