



Housing Authority of the City of Columbia, Missouri

Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: February 19, 2013

RE: Affordable Housing Initiative Report for February 2013

The following is an update on the CHA's Affordable Housing Initiative for the past two months. 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) has received significant attention in January and February.

A working group consisting of CHA, City, and CCDC representatives has been established.

- 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, Michele Duffe, Sean King, and Paul Berry

The working group has begun meeting on the first and third Thursdays of the month and is currently working on a number of issues including the following:

- Property maintenance and preparation for development including removing dilapidated structures, clearing trees and brush, mowing, sewer taps, and storm water management.
- Site control and property ownership and related legal issues.
- The creation of various development options including types and designs of structures, streetscapes, rental and homeownership options, and phases of development.
- Securing architectural services.
- Financing options and time frames for application submissions.
- Development timelines.
- Public engagement plan and communication with neighborhood associations.

Legal Issues

We are also focusing our efforts on a number of legal issues that are important to the development process including the formation of a 501(c)3 Not-For-Profit Corporation for the purpose of developing affordable housing and perhaps other mixed development options. We have tentatively decided on naming this corporation the Columbia Housing and Development Corporation of Columbia, Missouri.

Our attorney, Marjorie Lewis is consulting with attorneys specializing in affordable housing development to assist us in setting up the proper legal corporations necessary for our development of these properties and other housing strategies we may pursue.

We will be issuing an RFP for legal services in the near 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 contacted the Columbia Housing Authority (CHA) regarding our interest in accepting the transfer of title for the land and properties located at 411 McBaine, 904 Madison Street, and 711 Mikel Street for the purpose maintaining the property as an affordable rental or owner occupied housing. All three of these properties are located in the City of Columbia, Missouri.

We see this as a great opportunity to move forward with developing affordable housing in partnership with the City of Columbia and Job Point and their Youth Build Program. We have met Randy Cole, Community Development Coordinator for the City of Columbia and Jim Loveless, Executive Director of Job Point to discuss how we can work together to acquire vacant properties or properties with dilapidated structures that can be redeveloped as neighborhood in-fill projects. This could include using CDBG or HOME funds from the City of Columbia to assist with the acquisition and development these properties with Job Point constructing the homes on the properties and then the CHA managing these properties as rental properties or selling them to income-qualifies homeowners.

Strategic Planning Process Update

The ND Consulting Group has submitted a first draft of the strategic plan. Due to other time constraints, the document is still under review. It is our goal to present a draft of the plan for Board comment at the March 19, 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

Due to the delay in completing the strategic planning process, it was felt that putting together a Low-Income Housing Tax Credit (LIHTC) application for 4% tax credits was not a realistic goal this year with an application deadline of March 1, 2013. We believe a March 2014 application deadline is a more reasonable time frame and would allow the Garth and Sexton development to get started first thus providing an opportunity to relocate public housing residents to this new development during the revitalization 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.

It was felt that both the LIHTC and RAD programs offered different opportunities for financing public housing renovations and that each program also entailed complex regulations that needed 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.