



Housing Authority of the City of Columbia, Missouri

Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: March 18, 2014

RE: Affordable Housing Initiative Report for March 2014

The following is the status of Columbia Housing Authority's (CHA) Affordable Housing Initiative which includes activity since the previous Board Report (February 18, 2014). 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".

Columbia Housing Authority Affordable Housing Initiative 2013 Strategic Plan

The Columbia Housing Authority Affordable Housing Initiative 2013 Strategic Plan was presented to the CHA Board on June 16, 2013. There have been no updates to this plan.

Missouri Housing Development Commission (MHDC) Low-Income Housing Tax Credits (LIHTC) Applications

Missouri Housing Development Commission (MHDC) met on Friday, March 14, 2014 and announced a second round of 2014 Rental Production Low-Income Housing Tax Credit (LIHTC) and HOME funding for the 4% LIHTC program. Applications for this second round are due May 20, 2014, in which awards should be announced in late July.

All indications are that applications for the first round for the 2015 Rental Production LIHTC and HOME funding programs for both the 4% and 9% LIHTCs will be accepted in September 2014 with awards announced in December 2014.

With this recent news, CHA and our consultants have already begun arranging meetings and will work diligently over the next few weeks to develop an implementation strategy to best utilize these financial resources.

Stuart Parker & Paquin Tower: Public Housing Properties – proposed renovations.

- This is our initial public housing renovation project consisting of the renovation of 284 public housing units in which we have named "Stuart Parker Apartments". It includes major renovation of 84 downtown public housing units located in the Lincoln, Unity, Worley, Oak, and Hicks neighborhoods plus modest improvements to the 200 public housing units in Paquin Tower.

Bear Creek & Oak Towers: Renovation of 225 housing units

- This will require a 4% MHDC LIHTC application. With the MHDC hold on the 2014 Rental Production LIHTC program, the anticipated second round of applications appears likely to

be omitted. When the process resumes and application dates are announced, we will plan and prepare accordingly.

Remaining Downtown Units: Renovation of remaining 210 units

- Three additional 9% MHDC LIHTC applications are planned for the Fall of 2014, 2015, and 2016, which would complete the renovation of the CHA's remaining 210 downtown Public Housing units. This schedule may likely be altered due to our unsuccessful applications and MHDC delays. These units are planned to be renovated in three phases of 70 units each.

Other Development Projects

McQuitty Square: Southwest block of Garth and Sexton - proposed development.

- **Planning Process, Design Updates**

- We have shifted the McQuitty Square program focus from MHDC's LIHTC to our newly formed Columbia Community Housing Trust (CCHT) - see CCHT details below.
- Storm water and sanitary sewer system issues were presented by key employees of the City of Columbia's Public Works Department who reviewed camera footage of the storm water tunnel and further discussed sanitary sewer issues in this area with the working group. In the near future, Crocket Engineering Consultants will intensely analyze these issues and we will continue a dialogue with the City of Columbia in an attempt to design appropriate systems to address these issues for both the McQuitty Square property and the surrounding neighborhood.

- **Rezoning**

We will begin the rezoning process for McQuitty Square over the next few months as we reach consensus of the statement of intent and design for this development.

- **Financing**

- In December and January, we have had two CCHT and two Financial Advisory Committee (see below for more information on the Financial Advisory Committee) meetings discussing a structure that will sustain a Housing Trust model for McQuitty Square. Besides the \$190,000 approved CDBG funds for infrastructure, we are going to pursue Federal Home Loan Bank Affordable Housing Program funding and a few other ideas that are still in the discussion stage.
- **CDBG Funding:** The Columbia Community Development Commission recommended and the City Council approved \$190,000 in CDBG funding for McQuitty Square infrastructure improvements in 2014.

Rental Assistance Demonstration (RAD) Program

- CHA Board approved submitting an application to HUD's Rental Assistance Demonstration (RAD) Program to convert all of the CHA's 719 public housing units to Project Based Vouchers (PBV) at the July 23, 2013 Board meeting (see the July 23 Board Memo and Resolution for details). The RAD application was submitted HUD on July 29, 2013.

- On September 30, the HUD RAD Department issued an award letter as their “Commitment to Enter into a Housing Assistance Payments” (CHAP), thus approving our RAD application for our initial project: 284 total units - 84 downtown units located in the Lincoln, Unity, Worley, Oak, and Hicks neighborhoods, plus Paquin Tower’s 200 units.
- On December 16, 2013, the HUD RAD Department issued approval of both our Multi-Phase conversion and our Portfolio Award. In conjunction with the CHAP, these agreements have reserved RAD conversion for all 719 public housing units.
- On December 24, 2013, we were issued an amendment to the CHAP to correct language and inclusions of the original.

Entity Incorporations

Kinney Point & Stuart Parker Housing Development Corporations

- CHA staff, ND Consulting Group and Attorneys Marjorie Lewis and Jack Pletz, from the Jefferson City law firm of Pletz and Reed, P.C successfully established the legal entities necessary to support MHDC’s LIHTC applications (see the August 20 combined Board Memo and corresponding Resolutions for details).

Columbia Community Housing Trust

- The September 17, 2013 Board Resolution 2578 approved of the Articles of Incorporation in establishing the “Columbia Community Housing Trust” Corporation. This will serve as the initial step in creating our Community Housing Trust (see below) as well as accommodate the Neighborhood Stabilization Program properties donated by the City of Columbia to CHA and possibly McBaine Townhomes.

Property Updates

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. We have delayed this conversion to homeownership as we wish to further explore the possibilities of including these townhomes in our Community Housing Trust (see below). The nature of the necessary appraisals and legal descriptions of each townhome will be determined according to the structure of the program utilized. The Community Housing Trust inclusion would allow the homes to remain in a housing trust thus ensuring; compliance with HOME regulations, proper long-term maintenance, and owner occupancy.

Neighborhood Stabilization Program (NSP) Properties

- On March 27, 2013, the City of Columbia 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 have been 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 approved by the Board and both homes are now occupied.

- On July 15, 2013, the Columbia City Council approved the donation of 106, 108 and 110 West Sexton Road to CHA for the purpose of developing McQuitty Square's affordable housing complex. These three lots were legally transferred to the CHA.
- On September 30, 2013, CHA transferred ownership of all five NSP properties to the newly formed Columbia Community Housing Trust (CCHT) as the regulations and the objectives of the NSP align well with the framework of the CCHT.
- On October 8, 2013, as required through the NSP Operating Agreement Transfer of Titles, CHA notified the City of Columbia of the transfer of ownership of these five properties. This notification also included requests for minor modifications to the NSP Operating Agreement for the two homes.

Community Housing Trusts, Housing Trust Funds, and Land Trusts

Earlier in 2013, CHA staff convened a meeting to discuss the formation of a Community Housing Trust (CHT), a Housing Trust Fund, and a Land Trust (more detailed information on all three topics is contained in the 2013 Affordable Housing Initiative Strategic Plan). Attendees 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 learning more.

As noted previously, the CHA Board formed the Columbia Community Housing Trust entity on September 30, 2013.

On December 5, 2013, we held a Community Housing Trust Informational Session in which our guest speaker, Ms. Rebecca Buford, Executive Director of the Lawrence, KS Community Housing Trust, presented an overview of the Lawrence Community Housing Trust and a general description of a housing trust, trust fund, and land bank. We also conducted additional planning sessions throughout the day. This was also a very successful day which resulted in a much greater understanding of the program and a unified desire to move forward.

On January 8, 2014, we held a meeting with the interested parties to further discuss the CCHT. Our next task is to develop bylaws.

CHA Affordable Housing Financial Advisory Committee

We continue to meet monthly with the Financial Advisory Committee. With the announcement of the next rounds of MHDC LIHTC application, along with many other projects on the verge of materializing, this committee will prove to be very beneficial in assisting with our upcoming financial decisions. McQuitty Square is still the major topic of discussion as the initial project for the Community Housing Trust. The conversations continue to be very productive. Our next meeting is scheduled for the last week of March.

Federal Home Loan Bank of Des Moines (FHLB) – Affordable Housing Program

On February 5, Mr. Phil Everitt with the FHLB visited CHA and we conferenced in to the Des Moines home office to learn about the application process for obtaining funding through the

FHLB and their “Strong Communities Fund / Affordable Housing Program” (AHP). This was an extremely helpful session.

We are submitting a Pre-Application for Stewart Parker by March 31, and the actual applications are due by May 15, 2014. We are still in discussion as to which projects we will submit applications as so much was contingent on the news from MHDC on the timing of the LIHTC program.

U.S. Department of Housing and Urban Development (HUD) Veterans Affairs Supportive Housing (VASH) Project-Based Vouchers

On February 4, 2014 HUD issued a Notice of Funding Availability (NOFA) to competitively award HUD project-based Veterans Affairs Supportive Housing vouchers (HUD-VASH PBVs) to Public Housing Agencies who administer the HUD-VASH program in partnership with their local VA Medical Center (Harry S. Truman Memorial Veterans’ Hospital). Project-based voucher (PBV) assistance provides rental subsidies paid on behalf of eligible individuals or families who live in units that are contracted under the program. HUD-VASH PBVs are designated specifically for homeless veterans to access affordable housing with an array of supportive services provided through the local VA Medical Center.

Funding for this PBV assistance program comes from a set-aside from the Consolidated and Further Continuing Appropriations Act, 2013 (Public Law 113-6) enacted March 26, 2013 that provided \$75 million dollars of funding for HUD-VASH vouchers as authorized under section 8 (o)(19) of the United States Housing Act of 1937.

This HUD-VASH PBV Program would provide assistance to existing, rehabilitated or new construction housing developments (as defined by HUD pursuant to the PBV program regulations in 24 CFR Part 983). For the purpose of this VASH PBV program, HUD will award a maximum of 30 points for “project readiness” of PBV eligible housing developments as follows:

1. 30 points for existing housing units that will be ready for occupancy within 60 days of selection date. To qualify as existing housing under this category, projects must be ready for occupancy by approximately October 1, 2014.
2. 15 points for newly constructed or rehabilitated units in which construction will start within 6 months of the selection date. To qualify under this category construction must start by approximately February 1, 2015.
3. 5 points for newly constructed or rehabilitated units in which construction will start within 12 months of the selection date. To qualify under this category construction must start by approximately August 1, 2015.

This application for HUD-VASH PBVs is due May 5, 2014, and the selection date will be approximately 90 days thereafter or roughly August 1, 2014.

On February 21, I hosted a meeting with key advocates of veteran programs representing; the Harry S. Truman Memorial Veterans’ Hospital (VA Hospital), Columbia’s Welcome Home, the Veterans United Foundation, ND Consulting Group, the City of Columbia, the Phoenix Programs and the Columbia Housing Authority. The intent of this meeting was to discuss this HUD-VASH PBV program and determine the desire and feasibility of submitting an application. Participants were very much in favor, although the VA Hospital VASH staff requested that we only apply for

25 of the 75 maximum HUD-VASH PBVs due to the challenges of servicing their current 85 VASH clients.

In support of developing VASH housing for homeless veterans, and in partnership with the VA Hospital, CHA is seeking authorization to convert up to fifty (50) Section 8 tenant-based vouchers (TBV) to project-based vouchers (PBV). CHA will follow all HUD regulations and procedures in soliciting and awarding the requested PBVs.

CHA has an annual budget authority of 1,132 Housing Choice Vouchers. "The PHA may select owner proposals to provide project-based assistance for up to 20 percent of the amount of budget authority allocated to the PHA by HUD in the PHA voucher program." This allows CHA to convert up to 226 tenant-based vouchers (TBV) to project-based vouchers (PBV).

Each award of PBVs has a "25 percent per building cap", unless the proposal includes any of a number of "exceptions to 25 percent per building cap" in which up to 100% of the building may qualify for PBVs. Through the HUD-Veterans Affairs Supportive Housing (VASH) program, the supportive services provided by the Harry S. Truman Memorial Veterans' Hospital satisfies the requirements for 100% PBVs for the units within a development.

On March 6, 2014, CHA solicited Requests for Proposals (RFP) for the "HUD-VASH PBV" set-aside program. As required, CHA is advertising this RFP in the Columbia Daily Tribune with three runs over a three week period (3-5, 3-12, 3-19) followed by a 30 day allowance for the submission of proposals. The deadline to submit proposals is Friday, April 18, 2014.

As CHA is intending to submit a proposal for these PBVs, CHA may not be involved in the selection process. All proposals will be submitted to the City of Columbia's Community Development Department who will appoint a selection panel to review, evaluate, rank and select applications according to the scoring criteria outlined in the RFP.

Title 24: Housing and Urban Development / Part 983 is the Code of Federal Regulations (CFR) that regulates the "Project-Based Voucher (PBV) Program.