



Housing Authority of the City of Columbia, Missouri

Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: July 15, 2014

RE: Affordable Housing Initiative Report for July 2014

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 (June-July 2014)

Missouri Housing Development Commission (MHDC) Funding: On June 20, 2014 the Missouri Housing Development Commission (MHDC) approved funding for two affordable housing projects proposed by the Columbia Housing Authority (CHA). A copy of the full press release is attached to this report.

The MHDC awarded the following combination of funds to these two CHA projects:

Development Name	Developer	Federal 4% Tax Credits	State 4% Tax Credits	Tax Exempt Bond Amount	AHAP Credits*
Mid-Missouri Veterans Campus	Columbia Housing Authority	\$133,941	\$133,941	\$3,115,000	\$1,014,750
Stuart Parker Apartments with Paquin Tower	Columbia Housing Authority	\$833,983	\$700,000	\$11,400,000	N/A

* Affordable Housing Assistance Program (AHAP)

We have Application Approval Letters from MHDC and Pre-Conditional Reservation Checklists for both projects that we will respond to by July 18. It will take up to six (6) months to get to the final submission stage with MHDC for both projects.

City of Columbia HOME Funding: On June 18, 2014, the City of Columbia Community Development Commission recommended \$140,000 in FY2015 HOME funds for the Stuart Parker Apartments. Last year the City approved \$150,000 in FY2014 HOME funds for the project. Welcome Home also received \$228,000 CDBG funds for their shelter project. (FY2015 - \$168,000 & FY2014 - \$60,000)

Bear Creek Apartments: The third application submitted by the CHA to renovate the Bear Creek Apartments was not recommended for funding. The MHDC staff provided the following comments about the Bear Creek Apartments: *“Good proposal; however developer/primary consultant have two recommended proposals in this round. Staff may recommend this proposal for approval if resubmitted at a time when developer and consultant capacity have been reevaluated and found to be adequate.”*

Selection of Development Team: We have begun the process for finalizing our Development Team for both projects and have interviewed several firms as part of our selection process. We hope to finalize all members of our development team in the near future. We have also conducted several conference calls with our attorneys, Deke Clayborn and Efreem Levy to begin the necessary legal work for these projects.

HUD-VASH Project-Based Vouchers – Veterans Apartments: The CHA closed on the purchase of the Deluxe Inn property located at 2112 Business Loop 70 East on Tuesday, July 1, 2014. The swimming pool has been removed and the property is secured. Liability insurance is in force for the property. The roofs on both buildings are leaking in multiple places. We are exploring options to deal with the roof in order to allow the rooms to dry out before we can remove the “popcorn” ceiling material that contains asbestos.

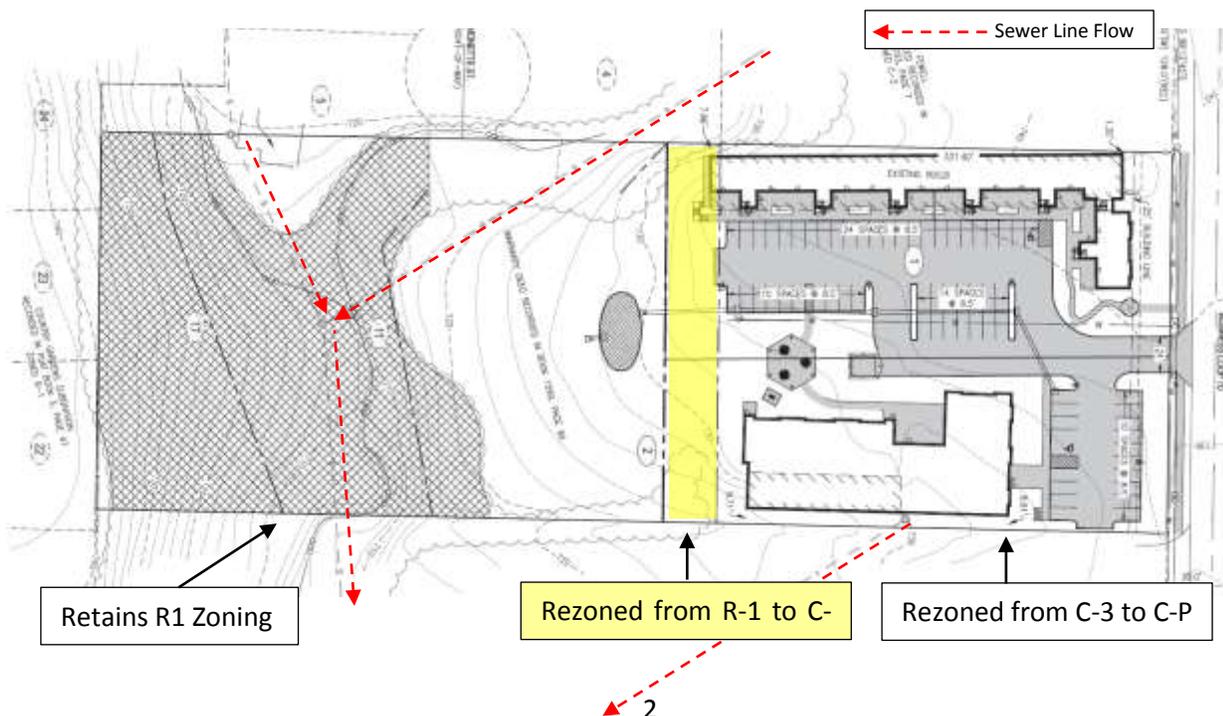
Some of the units are habitable and we are exploring the possibility of housing a few Veterans on the west side of the property to provide additional security for the property. It is better to have the property occupied in order to prevent theft and damage. CHA Safety Officers are also monitoring the property.

We are making plans to clean out all of the unusable units and dispose of a significant amount of debris. Some items will be salvaged and sold. These items include television sets, telephone system, bed frames, furniture, furnishings, and miscellaneous equipment. The building contains a new fire suppression control system that we may be able to use in the new facility.

We are also in the process of re-zoning the property from C-3 to C-P. A small 35’ strip of the R1 zoning was approved to be rezoned to C-P to allow better access to the basement entrances on the southern side of each building. The Planning and Zoning Commission reviewed and approved our request on Thursday, July 10, 2014. The matter will be forwarded to the City Council for first read on July 21, and final approval on August 4.

On Tuesday, July 8, 2014, we met with neighbors from the Columbia Country Club Neighborhood Association and from Ammonette Street at their request. Representatives from the CHA, Welcome Home, In., Truman VA, and the City Public Works Department were present. Sixth Ward City Council Representative Barbara Hoppe also attended. Zoning and safety concerns were addressed as well as storm water and sewer systems. The representative from the City Public Works Department provided a map showing that a lining had been recently installed in the sewer line running east from Ammonette Street. This lining will prevent tree roots and other obstructions to the sewer line and eliminate any leaks in the line. The neighbors from Ammonette Street seemed satisfied with the report from the city.

We are also in the process of subdividing the property in order to sell the eastern and southern halves to Welcome Home, Inc. for their shelter and supportive services center. The City of Columbia needs to complete an additional environmental review of the property. This is required by HUD before CDBG funding can be awarded. After this is complete, the property can be subdivided and sold.



Community for Veterans Capital Campaign: Richard Mendenhall has agreed to Chair the Capital Campaign Committee for the Community for Veterans project. This includes the CHA HUD-VASH apartments and the Welcome Home Shelter and Supportive Services Center. It is anticipated that the campaign will be broken down into several phases in order to demonstrate development progress to the community. We are preliminarily looking at the following phases:

Draft Fund Raising Goals and Time Frames		
Item	Fund Raising Goal	Date to Meet Goal
CHA HUD-VASH Permanent Housing (25 units)	\$1,900,000	February 2015
Welcome Home Shelter – Phase 1 – (14 units)	\$500,000	February 2015
Welcome Home Shelter – Phase 2 – (15 units)	\$1,500,000	July 2015
Supportive Services Center	\$1,600,000	July 2015
	Total:	\$5,500,000

Richard Mendenhall is working on a list of persons to be asked to serve on the Capital Campaign Committee. We will also discuss staffing needs for the committee including consulting services and the development of a strategic fund raising plan.

Missouri Foundation for Health: Finally, I was recently contacted by the Missouri Foundation for Health about their interest in supporting housing projects with supportive services that promote health by connecting housing with health and human services. They were very interested in the Community for Veterans project and indicated that they would be soliciting applications for funding later this year on an invitation only basis. The conversation was very encouraging and I was left with the impression that our project would rank very high on their invitation list. They did not know the size of the awards at this time and indicated that the size would be determined by their Board of Directors based on the number of projects that are invited to apply for funds. They indicated that they were looking to provide funding for budget gaps in affordable housing projects and that funding could be a significant amount.

Previous Progress Report – May 2013 to June 2014

Columbia Housing Authority Affordable Housing Initiative 2013 Strategic Plan

The Columbia Housing Authority Affordable Housing Initiative 2013 Strategic Plan was adopted by the CHA Board on June 16, 2013 and the CHA is in the process of implementing the plan.

Renovation of Public Housing – 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.
- The CHA is applying to the Missouri Housing Development Commission for Low-Income Housing Tax Credits (LIHTC) to complete these renovations.
- The timeframes for the RAD conversion and LIHTC submission are listed in the chart below.

CHA's Public Housing RAD Renovation Phases					
Phase	Public Housing Sites	Type & # of Units	Rehab Level	LIHTC	Submission Date(s)
1	Stuart Parker Apartments	84 Townhomes & Garden Apts.	Major	4%	9-2013*
	Paquin Tower	200 High Rise Units	Minor		5-2014
2	Bear Creek Apartments	76 Townhomes & Garden Apts.	Modest	4%	5-2014* 9-2014
3	Oak Towers	147 High Rise Units	Modest	4%	5-2015
4	Bryant Walkway Apartments	70 Townhomes & Garden Apts.	Major	9%	9-2014
5	Providence Walkway Apartments	70 Townhomes & Garden Apts.	Major	9%	9-2015
6	East Park Avenue Apartments	70 Townhomes & Garden Apts.	Major	9%	9-2015

* Not funded for this round of submissions.

MHDC Low-Income Housing Tax Credit Funding

The Missouri Housing Development Commission (MHDC) met on Friday, March 14, 2014 and announced a second round of 2014 Rental Production 4% Low-Income Housing Tax Credit (LIHTC) funding.

The CHA submitted three (3) applications for 4% LIHTC and tax exempt bond funding by the May 20, 2014 deadline. Funding awards will be announced on June 20, 2014. A description of these three projects is included in this report.

The MHDC held a public hearing on June 4, 2014 regarding the CHA's three 4% LIHTC applications. There was strong community support at the public hearing for all three proposed affordable housing projects.

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.

Federal Home Loan Bank of Des Moines - Affordable Housing Program

On February 5, CHA staff met with Mr. Phil Everitt from the Federal Home Loan Bank of Des Moines (FHLB) to learn about the application process for obtaining funding through the FHLB and their "Strong Communities Fund / Affordable Housing Program" (AHP).

On May 15, 2014, the CHA submitted three (3) applications to the FHLB for each of the projects described below. Each funding application requested the maximum funding amount of \$500,000 per housing project. Boone County National Bank served as the member bank that submitted the applications on behalf of the CHA as the project sponsor. Funding awards will be announced in November 2014.

Current Affordable Housing Projects

The CHA has submitted 4% LIHTC applications for the second round of funding for the following affordable housing developments. The CHA has also submitted applications to the Federal Home Loan Bank for each of these projects as noted above.

- **Stuart Parker & Paquin Tower:** Renovation of 284 Public Housing Apartments.

This is the first phase of our Rental Assistance Demonstration (RAD) program conversion. The CHA is applying for LIHTC funds to renovation 284 public housing units which 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.

The CHA submitted an application to the City of Columbia for HOME funds in 2013 and was awarded \$150,000 in FY2014 HOME funds for this project. The CHA submitted a second application to the City of Columbia for HOME funds in 2014 for \$140,000 in FY2015 HOME funds for this project. The Community Development Commission recommended \$140,000 in FY2015 HOME funds on June 18, 2014.

The CHA also submitted an application to the Federal Home Loan Bank of Des Moines for \$500,000.

- **Bear Creek:** Renovation of 76 Public Housing Apartments

This is the second phase of the RAD conversion. Major renovations are proposed for 76 public housing units located on Elleta Boulevard.

The CHA also submitted an application to the Federal Home Loan Bank of Des Moines for \$500,000.

- **Mid-Missouri Veterans Housing Development:** Creation of 25 One-Bedroom Apartments

The CHA submitted an application for 4% LIHTC to create a Campus for Veterans at the site of the Deluxe Inn, 2112 E. Business Loop 70. The CHA was awarded 4% LIHTC and tax exempt bonds on June 20, 2014. In addition, the MHDC approved \$1,014,750 in Affordable Housing Assistance Program (AHAP) tax credits to the project.

The CHA also submitted an application to the Federal Home Loan Bank of Des Moines for \$500,000.

The CHA submitted an application to HUD for 25 HUD-VASH Project-Based housing vouchers to provide a permanent rent subsidy with supportive services from the Truman VA for homeless Veterans to provide on-going operational support for the HUD-VASH apartments. Awards will be made in August 2014.

HUD-VASH (Veterans Affairs Supportive Housing) 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

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.

In February 2014, the Columbia Housing Authority, the Harry S. Truman Memorial Veterans' Hospital (Truman VA), and Welcome Home, Inc., formed a partnership to create a campus for Veterans in Columbia to provide housing and supportive services to U.S. Military Veterans. The three partner agencies are proposing to create a campus for Veterans that will include twenty-five (25) one-bedroom apartments for Veterans participating in the Housing and Urban Development- Veterans Affairs Supportive Housing (HUD-VASH) program.

The CHA/Mid-Missouri Veterans Housing building containing the twenty-five (25) one-bedroom apartments will also contain a fitness room, computer lab, and laundry facilities. An adjoining space will contain office and programming space. Energy efficient construction, appliances, and HVAC will be utilized to create an energy efficient building. Utility services will be provided.

The campus for Veterans will also allow Welcome Home, Inc. to expand its current housing capacity for homeless Veterans to twenty-nine (29) temporary shelter beds. The creation of a new Welcome Home facility will allow female Veterans to also receive housing assistance at the campus for Veterans. Welcome Home currently only has housing for only nine (9) male Veterans.

The campus will contain a new Supportive Services Center that will house supportive services staff from Welcome Home and the VA Hospital and include programming space, a commercial kitchen, dining room, lounge area, computer lab, laundry facilities, and a patio.

Rezoning Process

The process for rezoning the property at 2112 Business Loop 70 East has been initiated with the assistance of Crockett Engineering. We are requesting to change the current zoning designation of C-3 for the northern portion of the property to C-P to accommodate the Welcome Home temporary housing facility. We are also requesting that a small strip of the R-1 zoning adjacent to the C-3 zoned portion of the property be rezoned to C-P to allow unfettered access to the basement storage areas under the existing buildings. An interested parties meeting will be held on June 17, 2014. The Planning and Zoning Commission and the City Council will also need to review and approve the request.

Environmental Assessment

An environmental assessment has been completed and has revealed that there will need to be some asbestos removal from the ceilings of the motel units. Estimated removal costs are about \$70,000.

Geotechnical Engineering Report

A geotechnical engineering report was completed on May 23, 2014. The report indicated that the site contains some "Existing Uncontrolled Fill." This Uncontrolled Fill is unsuitable to build upon and will need to be removed and replaced with new "Structural Fill" that will have suitable soil compaction for construction. In areas of new construction, approximately 5-7 feet of the Uncontrolled Fill will need to be excavated and replaced. The estimated cost of this work is about \$50,000.

Capital Campaign Planning for the Campus for Veterans

Phil Steinhaus, Rick Hess, and Mary Anne McCollum met with the Board of Directors from Welcome Home, Inc. to discuss the formation of a Capital Campaign Planning Committee that will launch a campaign to raise \$5,500,000 to complete all phases of the development process for the Campus for Veterans. A joint committee will be meeting to determine the composition of the planning committee and to extend invitations to those persons identified as potential committee members.

Other Affordable Housing Development Projects

- **McQuitty Square:** Southwest block of Garth and Sexton - proposed Columbia Community Housing Trust development.

Donated Neighborhood Stabilization Program (NSP) Properties

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. On September 30, 2013, CHA transferred ownership of the 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.

Planning Process

We have tabled our planning process for the McQuitty Square development in order to allow us to focus on our current LIHTC applications. This will allow us more time to create a comprehensive plan for this property.

A preliminary review of storm water and sanitary sewer system issues was initiated with the City of Columbia in 2013. Additional environmental and engineering studies will be conducted in the future by Crocket Engineering to determine how to best address these issues.

Rezoning

We will begin the rezoning process for McQuitty Square in the coming year and submit a Planned Unit Development (PUD) development plan.

Financing

The CHA Affordable Housing Financial Advisory Committee has continued to meet to discuss financing for the McQuitty Square development and other CHA affordable housing projects. The committee is supportive of using the Community Housing Trust model for McQuitty Square. Besides the \$190,000 approved CDBG funds for infrastructure, future financing plans include applying for funding through the Federal Home Loan Bank Affordable Housing Program.

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. Funds will be awarded later this summer.

- **Kinney Point Apartments**

In September 2013, the CHA submitted an application for 9% LIHTC funding to MHDC. Unfortunately the project was not recommended for funding. Due to the fact that the 9% LIHTC program is highly competitive and that the CHA is not likely to receive funding for two 9% LIHTC projects in the same round of funding, the CHA is postponing this development until the CHA's public housing renovations can be completed using the RAD program.

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 as well as accommodate the Neighborhood Stabilization Program properties donated by the City of Columbia to CHA and possibly McBaine Townhomes.

On December 5, 2013, CHA staff convened a community planning session which included Ms. Rebecca Buford, Executive Director of the Lawrence, KS Community Housing Trust. Ms. Buford presented an overview of the Lawrence Community Housing Trust and its operations and evolution. Discussions also included the use of community housing trusts, housing trust funds, and land banks in developing and preserving affordable housing. The planning session went well and all parties expressed interest in moving forward to utilize these affordable housing tools in our community.

On January 8, 2014, we held a meeting with the interested parties to further discuss the CCHT. Our next task is to develop bylaws and file for 501(c)3 federal tax-exempt status.

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 Columbia Community Housing Trust. The nature of the necessary appraisals and legal descriptions of each townhome will be determined according to the structure of the program utilized. The CCHT would allow the McBaine Townhomes to remain in a housing trust thus ensuring; compliance with HOME regulations, proper long-term maintenance, and owner occupancy.

904 Madison Street & 711 Mikel Street

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.

107 Pendleton Street & 207 Lynn Street

In April 2014 the CHA acquired a dilapidated house located at 107 Pendleton Street. This structure on this property has been removed and it will be reserved for future affordable housing development.

Also in April 2014, the Columbia Community Housing Trust received a donation of a vacant lot at 207 Lynn Street which will also be reserved for future affordable housing development.