



# Housing Authority of the City of Columbia, Missouri

## Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: October 15, 2013

RE: Affordable Housing Initiative Report for October 2013

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The following is the status of Columbia Housing Authority's (CHA) Affordable Housing Initiative which includes activity since the previous Board Report (September 17, 2013). 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" and "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.

### **Development and Renovation Projects**

**Kinney Point:** Northeast corner of Garth and Sexton - proposed development.

- Three story, 42 unit complex on 1.96 acres
- **MHDC Low-Income Housing Tax Credits & Other Financing**

CHA Staff, ND Consulting, and various partners successfully finalized and submitted the Missouri Housing Development Commission (MHDC) application for 9% Low-Income Housing Tax Credits (LIHTC) by the September 6, 2013 application deadline. This application is for the development of a 42 unit, three-story complex we have named "Kinney Point Apartments". The August Resolution 2567 granted CHA authorization to submit this application. MHDC will announce their selections for LIHTC awards by the end of December, 2113.

- **Development Team & Project Progress, Design Updates**

Wallace Architects is the Architect of Record for the Kinney Point development. They have extensive experience developing LIHTC affordable housing and have worked with the Missouri Housing Development Commission for many years. Wallace Architects, with the assistance of Crocket Engineering Consultants, produced designs to the detail necessary for the MHDC application. If MHDC awards this project, the design teams will prepare construction-ready plans for City of Columbia's review.

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

○ **Working Group, Planning Process, Design Updates**

- We temporarily discontinued bimonthly meeting to focus all efforts on the RAD and MHDC LIHTC applications. We have recently met with Mike Crist representing the Columbia Community Development Corporation (CCDC) and are planning our bi-monthly working group meeting in November with the minimum of the following participants:
  - 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
  - Capital Consultants: Sean King and Paul Berry
- We met with Dr. Stiepleman on Monday, 10/7 to discuss an Early Childhood Education Center for ages 3 & 4 as an option for inclusion in the McQuitty Square project. This facility would need to be approximately 2,000 square feet. If we can find a way to construct the building, the Columbia Public Schools will provide the staffing and operational costs. We will continue to explore this option and include this idea in our planning meetings.
- 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. 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. Now that the MHDC LIHTC applications have been submitted, we will resume this effort.

○ **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**

- Due to the number of partners and options involved in the McQuitty Square development, we have yet to establish a financial model for this development project. This will be a major topic over the next few months as we reach consensus of the statement of intent and design for this development.
- **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.

**CHA's Public Housing Renovations:** 719 unit renovations phased over the next several years.

○ **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.
  - Please see the attached RAD Deadlines for the RAD milestones that must be met in order complete our conversion of the first phase of this project, the Stuart Parker/Paquin Tower renovations.

○ **Stuart Parker & Paquin Tower**

- This is our initial project consisting of the renovation of 284 public housing units in which we have named "Stuart Parker Apartments". This 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.
- **MHDC Low-Income Housing Tax Credits & Other Financing**
  - CHA Staff, ND Consulting, and various partners successfully finalized and submitted the Missouri Housing Development Commission (MHDC) application for 4% Low-Income Housing Tax Credits (LIHTC) by the September 6, 2013 application deadline. This application is for the aforementioned 284 unit public housing renovation project we have named "Stuart Parker Apartments". The August Resolution 2568 granted CHA authorization to submit this application. MHDC will announce their selections for LIHTC awards by the end of December, 2113.
- **Development Team, Planning Progress, Design Updates**
  - Capital Consultants, the Architect of Record for the Stuart Parker Apartments project, produced designs to the detail necessary for the MHDC application. If MHDC awards this project, the design team will prepare construction-ready plans for City of Columbia's review.

○ **Bear Creek & Oak Towers:** Renovation of 225 housing units

We will begin the planning process for the next step in our Public Housing renovation process with a projected time frame of March 2014 for the submission of a 4% LIHTC application to support the renovation of these units.

- **Remaining Downtown Units:** Renovation of remaining 210 units

Three additional 9% LIHTC applications are planned for the Fall of 2014, 2015, and 2016, to complete the renovation of the CHA's remaining 210 downtown Public Housing units. These units will be renovated in three phases of 70 units each.

### **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.

### **107 Pendleton Street**

- On September 6, 2013, CHA made an offer that was accepted by the property owners of 107 Pendleton Street. Boone Central Title Company is processing this transaction and we expect to close on the property in the next few weeks.

### **Community Housing Trusts, Housing Trust Funds, and Land Trusts**

Earlier this year, CHA staff convened a meeting with interested parties 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.

Interested parties attending the meeting 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 moving forward with forming a CHT. As noted previously, the CHA Board formed the Columbia Community Housing Trust on September 30, 2013.

We are planning a follow-up meeting of these and other interested parties in the coming month which will feature a workshop and discussion presented by Ms. Rebecca Buford, Executive Director of the Lawrence Kansas Community Housing Trust. We are planning to use Ms. Buford as a consultant as we proceed with the work of the Columbia Community Housing Trust.

## Stuart Parker/Paquin Tower RAD Deadlines

1. **CHAP Submissions to HUD, Deadline: October 30, 2013:**
  - a. Accepted Lender Engagement or Commitment Letter (if applicable),
  - b. Statement of development team capacity,
2. **Within 60 days following CHAP issuance, Deadline: November 29, 2013:**
  - a. The significant amendment to its Annual/Five Year Plan.
  - b. The PHA's decision whether the project will convert its assistance to PBV or to PBRA.
3. **Within 90 days following CHAP issuance: Deadline: December 29, 2013**
  - a. The PHA must submit to HUD certification from the PHA that all industry-standard due diligence has been performed for and received by the Lender and/or other financing source. Due diligence must, in all cases, include:
    - b. Physical Conditions Assessment (PCA)
    - c. Other due diligence required of financing sources, which may include an appraisal, a current survey report, and a pro forma title insurance policy, must also be received within this timeframe.
    - d. All conversions, with or without financing, must submit a copy of the completed PCA to HUD by this milestone.
4. **Within 150 days following CHAP issuance: Deadline: February 27, 2014**
  - a. Certification that it has applied for firm commitments of all financing. For FHA-insured financing this must be in the form of the Firm Commitment Application to FHA.
5. **Within 180 days following CHAP issuance, Deadline: March 29, 2014**
  - a. Financing Plan
  - b. HUD will have 60 calendar days from the date of submission of the Financing Plan to approve, reject, or request additional information. HUD's decisions regarding the acceptance of the Financing Plan will be made in HUD's sole discretion.
  - c. A PHA will be notified of HUD's acceptance of the Financing Plan via issuance of a RAD Conversion Commitment (RCC)
  - d. The PHA will have 30 calendar days from the date of issuance of the RCC to execute the RCC and return it to HUD.
  - e. The RCC will allow 90 calendar days in which to close the RAD conversion transaction.
6. **Within 320 days following issuance of the CHAP (and no later than 40 days prior to closing), Deadline: August 16, 2014.**
  - a. The PHA must submit evidence of firm commitment for financing or equivalent milestone in securing all sources of financing required to close the transaction,
7. **Within 360 days following CHAP issuance Deadline: September 25, 2014**
  - a. The PHA must reach closing, upon which the RAD conversion is completed.