



Housing Authority of the City of Columbia, Missouri

Board Report Staff Memo

To: Board of Commissioners

From: Phil Steinhaus, CEO

Date: November 17, 2015

RE: Affordable Housing Initiative Report

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 (October & November 2015)

Patriot Place – Apartments for Veterans

There has been consistent construction progress at the apartments. The roofing has been finished and we are close to completing all the stairwells. Windows and doors have been installed. Most of the electrical and plumbing work has been completed. Most of the shower stalls have been installed. Installation of the drywall will begin this week. Curbs and gutters are installed as well as the concrete drive that will handle the weight of the trash trucks. The parking lot will be filled with asphalt in the coming weeks. We are also hoping to pave the basement with contingency funds.

We have met with staff from the Truman VA to begin the planning process for moving Veterans into the apartments once they are complete in February. We are also moving forward with a fund raising plan to will enable us to furnish all of the apartments. We are also looking at ways to fund and develop Patriot Park to the south.

Plans are being made now for a permanent sign with flag poles, benches, and paving stones that can be engraved. Sponsors will be solicited for each of these items and pavers will be sold.

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 are still waiting for MHDC to complete the review and approval process. We anticipated that it would be complete this month, however we had to have a second appraisal conducted due to the fact that the MHDC appraisal was much lower than expected and we do not agree with the methodology used to appraise the value. A low appraisal value also affect the basis of tax credits that we can claim for the acquisition price, thus affecting the financing of the project.

An additional delay has been caused by HUD which is now requiring our energy service company, Ameresco to complete an analysis of the Energy Conservation Measures (ECM's) that were installed in the Energy Performance Contracting process. We plan to pay-off the loan on the ECM's that were installed in Stuart Parker, Paquin Tower, and Bear Creek, and the pay-off request must be approved by HUD to ensure that the remaining ECM's in our other properties will achieve the required energy savings to pay off the balance of the loan. HUD also wants to make sure we don't make money on the deal.

We have also submitted our closing package to the HUD RAD team for their review. Once MHDC and HUD approve of all the financing and legal documents, we will be able to close on the project and begin the relocation and construction process. We are pushing to close on this project before the end of the year.

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 RAD Conversion Commitment (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 24 vacancies in our Stuart Parker Apartments and 29 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 and third floors and then complete the renovations one floor at a time, moving residents from the fourth 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 and third floors into similar units on other floors.

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

We are waiting for the approval of our firm submission from MHDC before we can issue the tax-exempt housing bonds for this project. The B Bonds (for construction) will be issued in the amount of \$8,400,000 and will be purchased by Providence Bank.

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 publically 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.

Bear Creek Apartments

We submitted our firm submission package to MHDC on September 18, 2015. We don't expect MHDC to complete the review and approve our submission until sometime in January or February. We submitted our RAD financing plan on October 2, 2015. In discussions with the RAD team it has been determined that they will not be able to close the Bear Creek project until January or February next year. We are working diligently to complete the RAD Conversion Commitment (RCC) documentation ahead of schedule so we can submit our documents for review as soon as we receive the RCC from HUD. We have not received the RCC from HUD at this time.

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 received notice this week that we were awarded \$500,000 in funding from the Federal Home Loan Bank Board (FHLBB) of Des Moines through the Affordable Housing Program grant. We are excited to have this important piece of funding in place as it gives impetus to MHDC to fund our project.

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 on December 4, 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.

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. Awards will be announced on December 4, 2015.

McQuitty Square Project

We are proceeding with 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 will purchase these properties and develop affordable housing on this site as well as making other neighborhood improvements.

207 Lynn Street

We have completed the Quiet Title Suit for this property and are now the official owners of the property.