



Housing Authority of the City of Columbia, Missouri

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To: Board of Commissioners
From: Phil Steinhaus, CEO
Date: March 16, 2021
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".

To date the Columbia Housing Authority has renovated 597 units of public housing and constructed 25 new units for homeless Veterans.

Completed projects are as follows:

Project Name	Designation	# Units	Completion Date
Patriot Place Apartments	New Housing for Homeless Veterans	25	April 2016
Stuart Parker Apartments	Renovated Public Housing	84	September 2017
Paquin Tower Apartments	Renovated Public Housing	200	September 2017
Bear Creek Apartments	Renovated Public Housing	76	October 2017
Oak Towers Apartments	Renovated Public Housing	147	October 2018
Bryant Walkway II Apartments	Renovated Public Housing	36	December 2018
Bryant Walkway Apartments	Renovated Public Housing	54	September 2019
Total Completed Affordable Housing Projects to Date:		622	

Purpose of this Report

This report is designed to communicate to two audiences: 1.) The CHA Board of Commissioners; and 2.) the general public, media, and other interested parties. With this in mind, the most recent activity is included first in this report without a lot of background information as the CHA Board of Commissioners are well informed on this subject and has been receiving reports on a monthly basis. Recent activity is then followed by a project summary report that provides the general public, media, and others a more detailed report that includes a great deal of background information on our current projects.

Recent Activity (February-March 2021)

The most significant activities to occur in the past month related to the Kinney Point Apartments project include the following:

City Council Work Session

The CHA Board of Commissioners met with the Columbia City Council in a pre-council meeting work session on March 1, 2021 to discuss the following topics related to the City of Columbia demonstrating support for the CHA's Affordable Housing Initiative:

- **City Support Leverages External Resources**
 - City financial support helps to leverage external resources.
 - Low-income housing tax credit funding.
 - Federal Home Loan Bank of Des Moines funding.
 - City infrastructure support helps to reduce project costs and makes the project more competitive for funding and more attractive to investors.
- **Use of the City Lobbyist to lobby members of the MHDC to promote support for:**
 - Awarding points for Income Targeting with Project-Based Vouchers.
 - Increasing the Total Development Cost Limit for One-Bedroom Units.
 - Awarding points for Projects with a RAD Component.
 - Giving strong consideration to the city of Columbia's affordable housing priorities.
- **Create a budget line-item for CHA Affordable Housing Projects.** In a number of cities and counties housing authorities are a department of that entity. While the CHA is a separate municipal corporation, it was founded by the city of Columbia for the purpose of developing affordable housing. We would ask that the city budget include a line-item for the CHA's affordable housing projects. A small investment at first could be grown into a significant investment in affordable housing.
- **Consider reducing or eliminating development fees for affordable housing projects.** City development fees also add to the cost of affordable housing development. Reducing or eliminating these fees could be an incentive for affordable housing development.
- **Assist with lining the sewer main running through Providence Walkway.** Lining the sewer main running through Providence Walkway would assist the CHA in avoiding costly repairs or replacement of the current sewer main.
- **Assistance with storm water management issues in the Providence Walkway and Park Ave. development areas.** Storm water management has added a significant cost to the renovation and/or redevelopment of the CHA's Public Housing properties. A city investment in storm water management in the Flat Branch watershed area that includes the CHA's Public Housing properties would be a good community investment for all concerned and would assist the CHA in keeping its development costs and requests for LIHTC funding in a competitive range with other competing LIHTC developments.
- **Recognize that variances need to be made for affordable housing in current zoning & building codes. (Parking, Density, Setbacks, Lot Lines, Storm Water, etc.)** There have been several recent instances where current zoning and building codes have driven up the development costs for the CHA in excess of the of what is a reasonable expectation for affordable housing development. Examples are parking requirements, setbacks, lot lines, density, and storm water management. Recognizing that variances are necessary to control development costs for affordable housing should be considered.

The City Council was generally accepting of our request to utilize the city lobbyist to lobby for changes in the MHDC QAP. Lining sewer mains was also something that the city would support.

There was general discussion about the other issues but no real consensus. The minutes from the March 1, 2021 work session will be available upon the approval of the City Council on March 15, 2021.

Approval of the Kinney Point Property Planned Unit Design (PUD)

After considerable discussion, the City Council voted to approve the PUD for the CHA's Kinney Point apartments property at 1 E. Sexton Road. The PUD received unanimous approval from the city's Planning and Zoning Commission and was recommended for approval by city planning staff.

Project Planning History

The CHA has 120 units of aging public housing units that need to be renovated or replaced. Three previous attempts to renovate and then replace public housing units in the Providence Walkway area did not receive funding from the Missouri Housing Development Commission (MHDC). The MHDC Qualified Allocation Plan (QAP) for the allocation of 9% and 4% low-income housing tax credits (LIHTC) has changed over the past three years to focus on a more objective points system for awarding tax credits as opposed to the more subjective evaluation process previously employed by the MHDC.

The CHA's Kinney Point project missed the funding threshold for tax credits by a mere 10 points. The CHA should have been awarded 10 additional points for serving underserved populations with incomes at or below 30% of the Median Family Income. The CHA was denied being awarded these points on the basis that the CHA had Project-Based Vouchers attached to its properties.

Renovation Compared to Replacement

While the CHA was previously advised by MHDC staff to consider new construction over renovation due to similar cost projections, upon review of both alternatives, there is no significant cost savings for new construction. Pursuing renovation of the 34 public housing units in the Providence Walkway avoids several significant development issues that lead to additional expenses for new construction. These issues include:

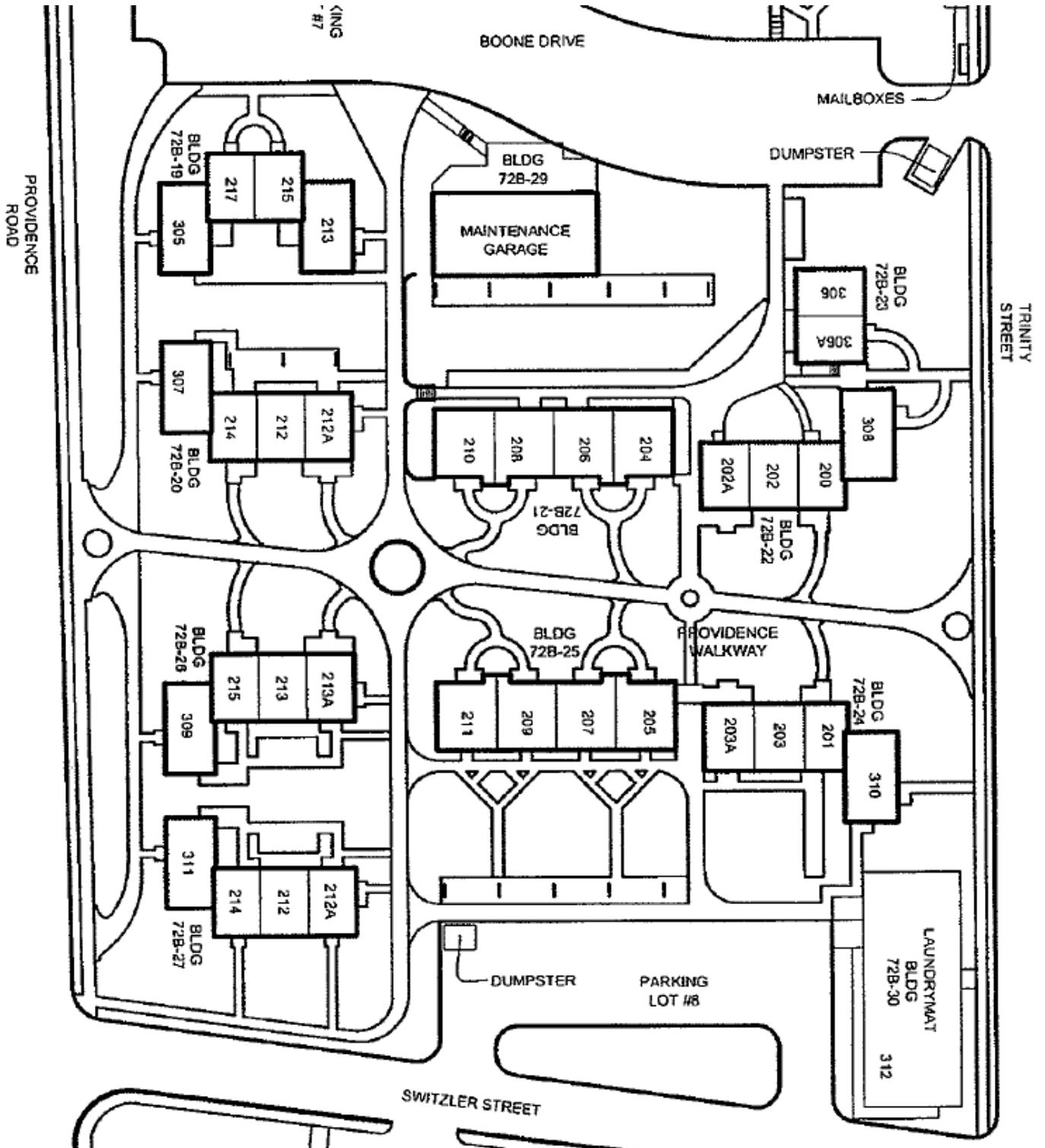
- New development must comply with all new code requirements;
 - Additional (and expensive) parking requirements that exceed the needs of the residents;
 - Addition storm water management requirements which are exacerbated by additional impervious surfaces of expanded parking lots;
 - The installation of expensive sprinkler systems depending on the building configuration;
 - Expensive demolition and abatement of existing units;
 - Installation of new sewer mains and/or the cost of capping abandoned sewer taps.
- New development requires an expensive replatting process and additional property setbacks.

The Bryant Walkway apartments were originally constructed at the same time as the Providence Walkway apartments and utilized the same design. The renovation of the Bryant Walkway apartments turned out very well and have been well received by residents, investors, and funders alike as well-constructed, energy efficient units.

At this point in time, due to the changes in the MHDC Qualified Allocation Plan and point system, I believe that moving forward with renovating the 34 Providence Walkway apartments is in the best interest of the CHA for the following reasons:

- We have the property designs from the Bryant Walkway development;
- Our experience with the Bryant Walkway renovations give us better insights into any construction issues that may arise;
- We avoid costly code and zoning issues;
- We have a good relocation plan from Bryant Walkway what we can use as a model;
- The project is "right sized" at 34 units; and
- By renovating the Providence Walkway site, we save our Kinney Point site for future new development.

Providence Walkway Apartments



Trinity Place & Providence Walkway, East Park Avenue, and Fisher Walkway Strategic Planning Process

Our current master plan will have to be revised. By renovating the 34 Providence Walkway units, the plan for renovating and/or replacing the final 86 public housing units will require three more phases as follows:

1. Providence Walkway..... 34 Units
2. Trinity Place & Kinney Point..... 40 Units *
3. East Park Avenue..... 40 Units
4. Fisher Walkway 30 Units
- Total 144 Units

** 24 new units on the Kinney Point property.*

This plan is subject to amendment as we move through the process. There are four main goals:

1. Achieve the correct size of each project to be within 30-50 new units.
 - a. Projects that are too small have high administrative costs and lower returns.
 - b. Projects that exceed 50 units are too large and costly to be competitive for LIHTC funding.
2. Plan projects that can be completed and filled within the 24-month LIHTC funding window.
3. Reduce the amount of temporary relocation of current residents.
4. Produce additional housing units beyond current renovation/replacement of existing public housing units.

It is worth noting that 9% low-income housing tax credits will be required for each phase of the plan.

Rental Assistance Demonstration (RAD) Program Expansion and Approval

In 2017, the CHA was issued a multiphase RAD award for our remaining 120 public housing units to be renovated. However, since our three previous applications for LIHTC funding were not approved, our multiphase RAD award will be rescinded, and we will need to submit a new RAD application in 2021. Fortunately, the cap on RAD units has been lifted, therefore our application for a multiphase award should be approved.

MHDC Low-Income Housing Tax Credits Funding for 2021

The Missouri Housing Development Commission (MHDC) approved a Qualified Allocation Plan (QAP) for the low-income housing tax credit program for 2020 that reinstated the state low-income housing tax credit program along with federal low-income housing tax credits. The 2020 LIHTC program included both federal and state low-income housing tax credits. The state LIHTC funding was capped at 70% of the federal LIHTC cap.

In 2021, we plan to advocate for developers with Project-Based Vouchers or Housing Choice Vouchers attached to their properties to be awarded 10 points in the scoring system for serving underserved populations with incomes at or below 30% of the MFI. We also plan to advocate for an increase in the development limit for one-bedroom units. There is a high demand for one-bedroom units in Columbia and the development limit for this size of unit does not take into account the higher square footage cost per unit over a two- or three-bedroom unit.