

Agenda Item Number: R84-14

Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: May 5, 2014

Re: Resolution endorsing the Housing Authority of Columbia (CHA) application for Low-Income Housing Tax Credits: Construction of twenty-five affordable housing units for U.S. military veterans at 2112 Business Loop 70 East

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

Supporting documentation includes: Correspondence from the CHA Executive Director

Executive Summary

Staff has prepared for Council consideration a resolution endorsing a CHA application for Low-Income Housing Tax Credits. The tax credits are awarded annually on a competitive basis by the Missouri Housing Development Commission (MHDC). Attached to this report is a resolution endorsing the housing for U.S. military veterans project.

Discussion

Details of the CHA project are provided in the attached memo from CHA's Executive Director. The housing for U.S. military veterans project is consistent with the goals and objectives, strategies, and priority needs of the City of Columbia Consolidated Housing and Community Development Plan.

Fiscal Impact

Short-Term Impact: There is no short term fiscal impact associated with these requests

Long-Term Impact: Low-income housing projects are typically supported by multi-layered sources of funding which may include future applications for City Community Development Block Grant (CDBG) or HOME funds. Invested appropriately, these funds repay their fiscal impacts by reducing the social costs of homelessness and other negative effects associated with the scarcity of decent, affordable housing for our lower-income households.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Health, Social Services and Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing

Comprehensive Plan Impact: Livable & Sustainable Communities

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Suggested Council Action

Council should approve the attached resolution

Legislative History

In August 2013 the Council made a similar endorsement of CHA applications for Low-Income Housing Tax Credits

A handwritten signature in black ink, appearing to be 'C. Kelly', written over a horizontal line.

Department Approved

A handwritten signature in black ink, appearing to be 'M. W.', written over a horizontal line.

City Manager Approved

A RESOLUTION

expressing support for the renovation of the building located at 2112 Business Loop 70 East for construction of affordable rental housing units for military veterans participating in the Veterans Affairs Supportive Housing (VASH) Program and associated application to the Missouri Housing Development Commission for low income housing tax credits.

WHEREAS, the City Council deems it in the public interest and general welfare of the City that affordable rental housing be made available to the residents of the City of Columbia; and

WHEREAS, the Housing Authority of the City of Columbia, Missouri will submit to the Missouri Housing Development Commission a request for consideration of award of federal and state Low Income Housing Tax Credits necessary to finance the renovation of the building located at 2112 Business Loop 70 East for construction of up to twenty-five (25) one-bedroom apartment units to provide affordable rental housing for military veterans participating in the Veterans Affairs Supportive Housing (VASH) Program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City of Columbia supports the renovation of the building located at 2112 Business Loop 70 East for construction of twenty-five (25) one-bedroom apartment units for military veterans participating in the Veterans Affairs Supportive Housing (VASH) Program, and the application made by the Housing Authority of the City of Columbia, Missouri to the Missouri Housing Development Commission for Low Income Housing Tax Credits.

ADOPTED this _____ day of _____, 2014.

ATTEST:

City Clerk

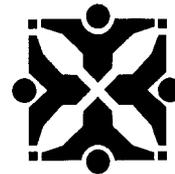
Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

City of Columbia

701 East Broadway, Columbia, Missouri 65201



SUPPORTING DOCUMENTS INCLUDED WITH
THIS AGENDA ITEM ARE AS FOLLOWS:

Correspondence from Public



Housing Authority of the City of Columbia, Missouri

201 Switzler Street, Columbia, MO 65203
Office: (573) 443-2556 ♦ TTY: (573) 875-5161 ♦ Fax Line: (573) 443-0051 ♦ www.ColumbiaHA.com

To: Honorable Mayor Bob McDavid and Members of the Columbia City Council

From: Phil Steinhaus, CEO

Date: May 5, 2014

RE: Request for a City Council Resolution Supporting an Application to the Missouri Housing Development Commission for 4% Low-Income Housing Tax Credits to Renovate and Construct Twenty-Five (25) One-Bedroom Affordable Housing Units for U.S. Military Veterans Participating in the Veterans Affairs Supportive Housing (VASH) Program.

Earlier this year, the U.S. Department of Housing and Urban Development (HUD) announced that it would make available additional project-based Veterans Affairs Supportive Housing (VASH) vouchers to help provide additional affordable housing options for homeless Veterans. In response, Welcome Home, Inc., the Columbia Housing Authority, and the Truman VA have 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 HUD-VASH program, created in 2008 by the U.S. Departments of Housing and Urban Development and Veterans Affairs, provides housing assistance and supportive services to Veterans. The Columbia Housing Authority and the Truman VA Hospital currently administer 85 HUD-VASH housing vouchers with supportive services provided by the Truman VA. Since its inception, the CHA and the Truman VA have served more than 165 Veterans through this program. Veterans are able to transition out of the HUD-VASH program and continue to receive housing assistance through the housing authority once they no longer need supportive services from the Truman VA.

The 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.

Neighborhood and Interested Parties Meeting

A meeting with adjoining neighborhood associations was conducted on April 23, 2014 at the Boone Electric Cooperative Community Room. Two-hundred fifty (250) flyers were delivered to neighbors adjoining the property and notices were sent to all adjoining neighborhood associations. Neighbors from Ammonette Street, and Eastland Drive attended the meeting along with representatives from the Country Club Estates, Benton-Stephens, and Whitegate Neighborhood Associations attended the meeting. *(A map of the distribution area is attached.)*

Thirteen (13) persons attended the Neighborhood and Interested Parties meeting and the plan to create a campus for Veterans was well accepted. The only concerns that were expressed were about the capacity of the sewer and storm water systems in the area. Neighbors to the southwest of the project site on Ammonette Street reported on-going sewer overflow issues in the area and concerns about sewer and water backing up in some basements.

Site of the Campus for Veterans

The proposed location of the campus for Veterans will be 2112 Business Loop 70 East, the site of the current Deluxe Inn. The proposed project will completely transform this site and create a beautiful campus setting for our Veterans. The site encompasses 4.2 acres with the housing development to occur on the north end of the lot while creating a pastoral campus setting to the south. Walking trails, gardens, and a gazebo will enhance this area. Preliminary architectural drawings and elevations of the proposed campus are attached.

Funding for this project is anticipated to come from a variety of sources including federal, state, and local funding. Strong community support for our Veterans will also be necessary to complete the project. The anticipated cost of to develop the campus for Veterans is \$5.5 - 6 million.

It is anticipated that the one-bedroom apartments will be funded with a combination of sources including 25 HUD-VASH housing vouchers which provide a permanent rent subsidy, 4% Low-Income Housing Tax Credits, and funds from the Federal Home Loan Bank of Des Moines, and local financing. The current cost projection for these apartments is \$3 million. Applications for the 4% Low-Income Housing Tax Credits are due to the Missouri Housing Development Commission on May 20, 2014. The application to the Federal Home Loan Bank is due May 15, 2014. Funding awards for Low-Income Housing Tax Credits will be announced later this summer. Federal Home Loan Bank awards will be announced in November 2014. Construction is expected to begin in early 2015.

The twenty-five (25) HUD-VASH housing vouchers also provide for a full-time Supportive Services Case Manager through the Truman VA who will be located onsite to assist the Veterans in the program.

Creating a campus for Veterans will build on our current partnerships to help Veterans in our community. Veterans will be able to seek housing and supportive services at Welcome Home and then transition into permanent housing with supportive services through the HUD-VASH program all at the same location. A variety of supportive services will be onsite to help with the transition. Veterans transitioning out of the HUD-VASH program will continue to be supported with Housing Choice Vouchers provided by the Columbia Housing Authority. These housing vouchers can be used anywhere in our community or the United States, giving our Veterans additional housing choices to meet their needs.

Missouri Housing Development Commission Low-Income Housing Tax Credit Application

The Columbia Housing Authority, with the assistance of the ND Consulting Group, is planning to submit our application to the Missouri Housing Development Commission (MHDC) for Federal and State 4% Low-Income Housing Tax Credits on May 20, 2014.

Proposed sources of funding include:

- Federal 4% Low-Income Housing Tax Credits\$118,000 = \$1,007,000
- State 4% Low-Income Housing Tax Credits\$118,000 = \$ 521,000
- Federal Home Loan Bank Funds\$500,000

The Low-Income Housing Tax Credits will provide \$1,528,000 of outside equity to our community to support the development of the 25 HUD-VASH housing units. These funds will be used to renovate 40 existing hotel rooms into 20 one-bedroom apartments and renovate one larger apartment. Four new apartments will be constructed in combination with the project along with space for supportive services, fitness center, computer lab, and laundry facility.

The estimated cost of these renovations and new construction is \$96,000 per unit. The total development cost to complete all renovations, reserves, financing fees and other soft costs is estimated to be \$3,875,000.

If this project is selected for an award in June 2014, renovations could begin in six (6) to nine (9) months from the time of award, once the final submission process is complete.

Requested City Council Action

It is highly recommended that support letters from elected city officials be included with our application to the MHDC for low-income housing tax credits for the Mid-Missouri Veterans Housing development which is a component of the campus for Veterans. Support from the Mayor and the City Councilperson presiding over the encompassing ward are most important. Strong local support is critical to the success of our application.

The Columbia Housing Authority would like to request that the Columbia City Council adopt the attached City Council Resolution demonstrating its strong support the Mid-Missouri Veterans Housing development sponsored by the Columbia Housing Authority in connection with the creation of a campus for Veterans and authorize the Mayor McDavid and Third Ward City Councilperson Skala to offer letters of support for this project. Other letters of support will also be accepted from members of the City Council.



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VETERAN'S HOUSING
2112 BUSINESS LOOP 70 EAST

C.H.A. BUILDING



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REVISIONS	
NO.	REMARKS
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VETERAN'S HOUSING

2112 BUSINESS LOOP 70 EAST

C.H.A. BUILDING



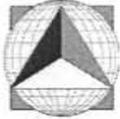


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VETERAN'S HOUSING

2112 BUSINESS LOOP 70 EAST

NORTHWEST VIEW



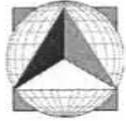
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VETERAN'S HOUSING
2112 BUSINESS LOOP 70 EAST

SOUTHWEST VIEW

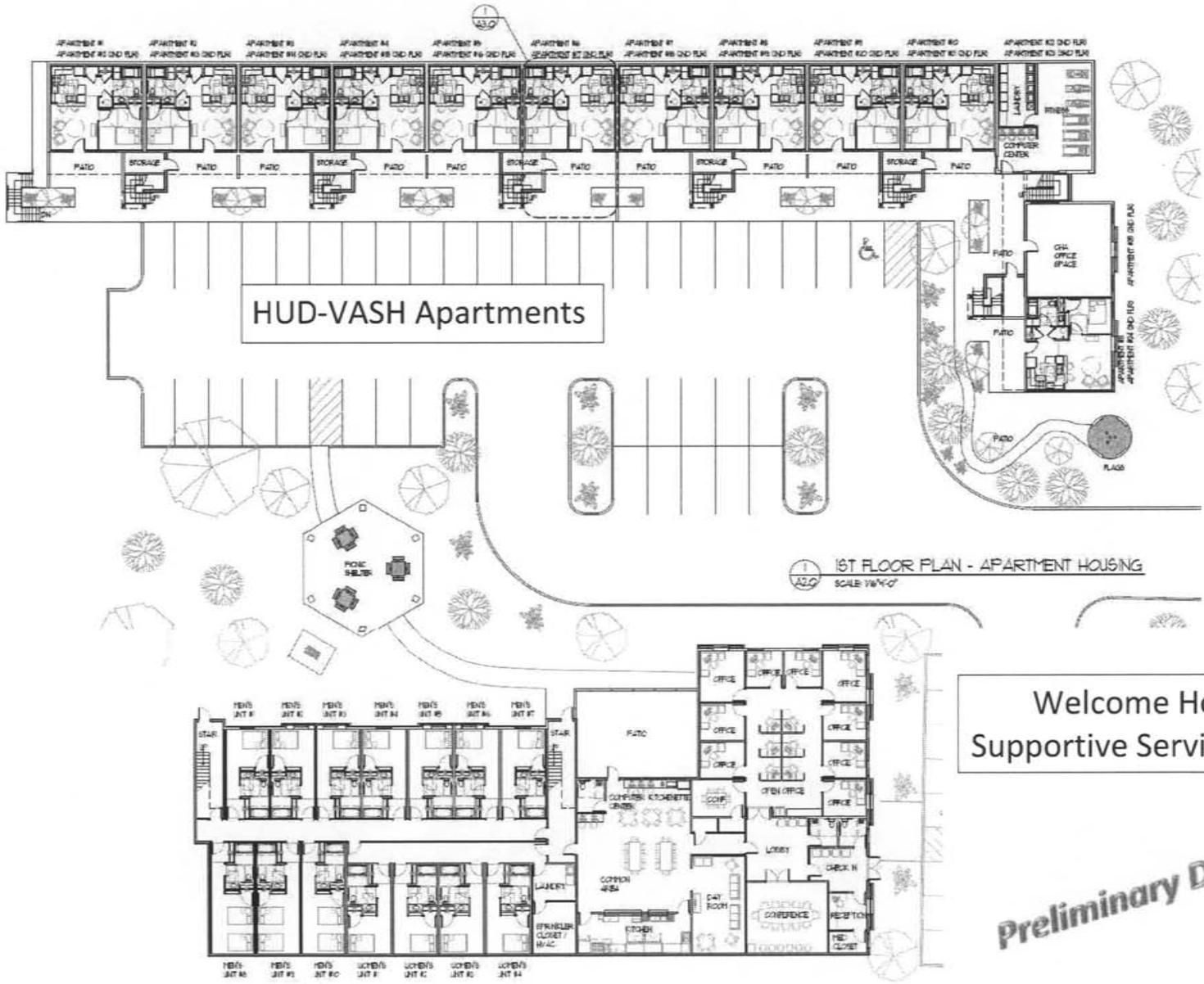


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A Campus for Veterans

Welcome Home - Truman VA - Columbia Housing Authority



1 1ST FLOOR PLAN - APARTMENT HOUSING
SCALE 1/8"=1'-0"

Welcome Home &
Supportive Services Center

Preliminary Draft Copy

CHA VETERAN'S HOUSING
170 BUREAU BLVD
COLUMBIA, MO

REVISIONS:

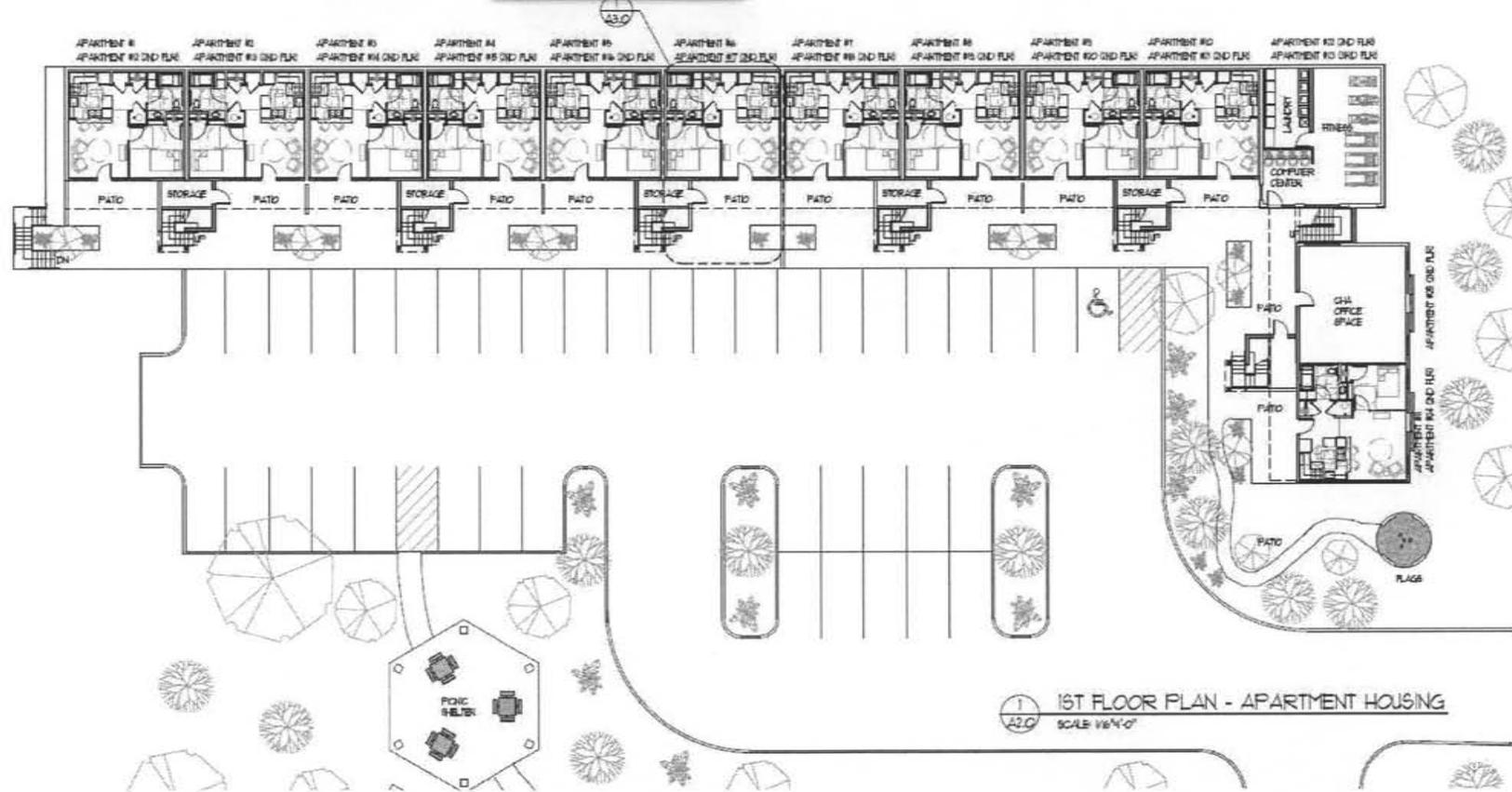


DATE ISSUED
4/8/14



A Campus for Veterans

Welcome Home ❖ Truman VA ❖ Columbia Housing Authority



1 1ST FLOOR PLAN - APARTMENT HOUSING
SCALE: 1/8"=1'-0"

CHA VETERAN'S HOUSING

1770 BIRCH SOUTHWEST
COLUMBIA, MO

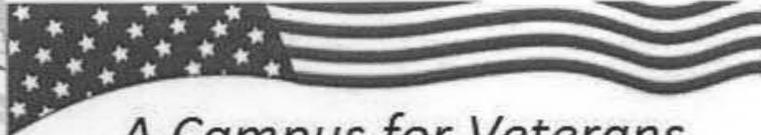
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4/8/14

HUD-VASH Apartments

Preliminary Draft Copy

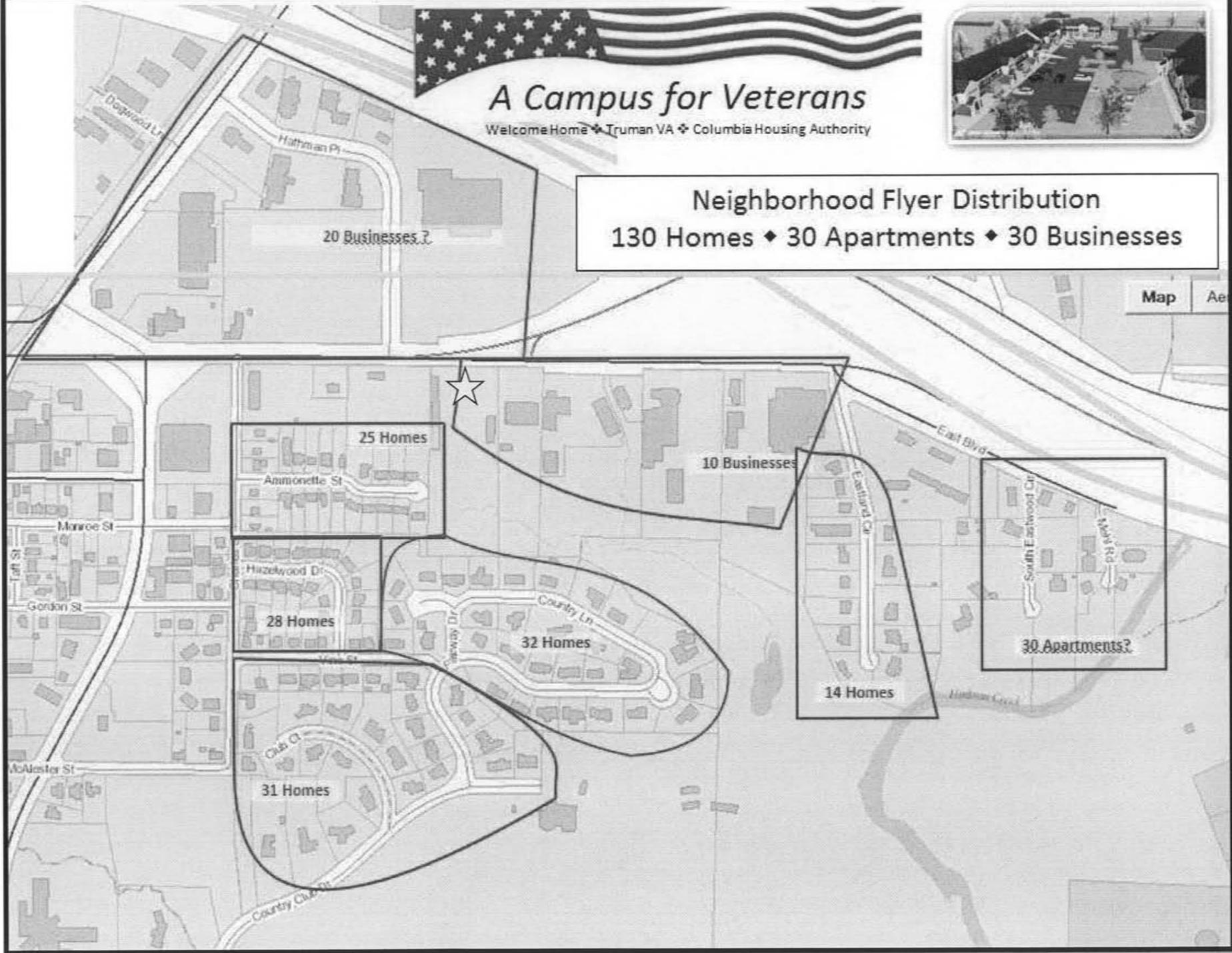


A Campus for Veterans

Welcome Home ♦ Truman VA ♦ Columbia Housing Authority



Neighborhood Flyer Distribution
130 Homes ♦ 30 Apartments ♦ 30 Businesses



Map Ae