

# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** R 189-15

**Department Source:** Law

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** 12/7/2015

**Re:** City Approval of the Issuance of Housing Revenue Bonds by the Columbia Housing Authority (Bear Creek Apartments Project)

## Documents Included With This Agenda Item

Council memo, Resolution/Ordinance, Exhibits to Resolution/Ordinance

**Supporting documentation includes:** Materials relating to the Bear Creek Apartments housing project provided by Phil Steinhaus, CEO of the Housing Authority of the City of Columbia, Missouri

## Executive Summary

The Columbia Housing Authority (CHA) has developed a financing plan for renovations to the Bear Creek Apartments. The financing plan includes issuance of housing revenue bonds. Details of the project and proposed financing are included in the attached staff memo provided by CHA.

## Discussion

Pursuant to Title 26 §147(f) of the Internal Revenue Code, public approval is required for issuance of private activity bonds by a governmental entity with jurisdiction over the area in which the facility is located. Accordingly, CHA has requested approval from the City of Columbia.

Adoption of the resolution would provide approval by the City Council to the CHA to issue housing revenue bonds for the purpose of making a loan to Bear Creek Housing Development Group, L.P. for financing of the Bear Creek Apartments in an amount not to exceed \$4,750,000. There is no default risk to the City as the bonds are to be repaid from project revenues and remain a liability of the CHA.

## Fiscal Impact

Short-Term Impact: Not applicable.

Long-Term Impact: Not applicable.

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## Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Community Facilities and Services, Health, Social Services and Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing

Comprehensive Plan Impact: Not applicable.

## Suggested Council Action


Adoption of the resolution.

## Legislative History

Not applicable.

A handwritten signature in black ink, appearing to be "H. R.", written over a horizontal line.

Department Approved

A handwritten signature in black ink, appearing to be "M. L. V. L.", written over a horizontal line.

City Manager Approved

## **A RESOLUTION**

approving the issuance of bonds by the Housing Authority of the City of Columbia, Missouri for a housing project.

WHEREAS, the City of Columbia, Missouri (the "City") authorized the creation of the Housing Authority of the City of Columbia, Missouri (the "Housing Authority") pursuant to Chapter 99 of the Revised Statutes of Missouri; and

WHEREAS, the City has been advised that the Housing Authority intends to issue its housing revenue bonds to finance costs of a housing project in the City as follows: up to \$4,750,000 in principal amount of housing revenue bonds for the acquisition and rehabilitation of approximately 76 apartments units located at 1000-1304 Elleta Boulevard in the City, known as "Bear Creek Apartments"; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Housing Authority held a public hearing on October 16, 2015 with respect to its issuance of bonds to finance the above projects after published notice as shown in the affidavit of publication attached to this Resolution as Exhibit A; and

WHEREAS, a copy of the minutes from such public hearing containing a copy of all public comments provided with respect to the above-mentioned project is attached to this Resolution as Exhibit B; and

WHEREAS, Section 147(f) of the Code requires that the issuance of the bonds be publicly approved by the governmental unit on behalf of which the issue is to be issued, which approval may be by the elected legislative body.

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

SECTION 1. The issuance of up to \$4,750,000 principal amount of housing revenue bonds by the Housing Authority for the purpose of making a loan to Bear Creek Housing Development Group, LP, a Missouri limited partnership, to finance a portion of the costs of the acquisition and rehabilitation of approximately 76 apartments units located at 1000-1304 Elleta Boulevard in the City, known as "Bear Creek Apartments" is in the best interests of the City, and is hereby approved in accordance with the requirements of Section 147(f) of the Code.

SECTION 2. The approval does not impose any liability on the City or in any way involve the City in the issuance of the bonds or the financing of the proposed projects but is an accommodation by the City to satisfy the requirements of Section 147(f) of the Code. The City expressly does not warrant the creditworthiness of the bonds or guarantee, in any

way, the payment of the bonds. No moneys of the City will be pledged or applied to the repayment of the bonds.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor

## AFFIDAVIT OF PUBLICATION

STATE OF MISSOURI ) ss.  
County of Boone )

I, Candra Galiley, being duly sworn according to law, state that I am one of the publishers of the Columbia Daily Tribune, a daily newspaper of general circulation in the County of Boone, State of Missouri, where located; which newspaper has been admitted to the Post Office as periodical class matter in the City of Columbia, Missouri, the city of publication; which newspaper has been published regularly and consecutively for a period of three years and has a list of bona fide subscribers, voluntarily engaged as such, who have paid or agreed to pay a stated price for a subscription for a definite period of time, and that such newspaper has complied with the provisions of Section 493.050, Revised Statutes of Missouri 2000, and Section 59.310, Revised Statutes of Missouri 2000. The affixed notice appeared in said newspaper on the following consecutive issues:

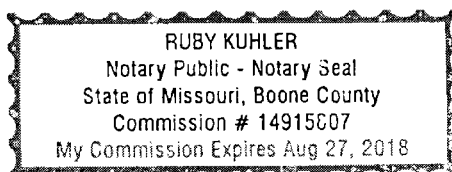
1st Insertion	October 1, 2015
2nd Insertion	_____
3rd Insertion	_____
4th Insertion	_____
5th Insertion	_____
6th Insertion	_____
7th Insertion	_____
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21st Insertion:	_____
22nd Insertion:	_____

\$71.07  
Printer's Fee

By: Candra Galiley  
Candra Galiley

Subscribed & sworn to before me this 2 day of October, 2015

[Signature]  
Notary Public



## NOTICE OF PUBLIC HEARINGS

Public notice is hereby given that the Housing Authority of the City of Columbia, Missouri (the "Authority") will hold a public hearing in the board room at the offices of the Authority, 201 Switzler Street, Columbia, Missouri 65203, on Friday, October 16, 2015, commencing at 12:00 p.m. (Noon), at which time any person may be heard regarding the proposed plan of financing for the bonds described below.

The Authority will consider the proposed issuance of its multifamily housing revenue bonds in one or more series in a principal amount not to exceed \$4,750,000 for the purpose of making a loan to Bear Creek Housing Development Group, L.P, a Missouri limited partnership (the "Partnership"), to finance a portion of the costs of the acquisition and rehabilitation of approximately 76 apartment units located at 1000-1304 Ellcta Boulevard in the City of Columbia, to be known as Bear Creek Apartments (the "Project"). The Partnership is expected to be the owner and operator of the Project.

The hearing will be open to the public. All interested persons may attend the hearing and will have an opportunity to express their views with respect to the Project, including the location and nature of the proposed facilities and the issuance of bonds to pay the costs thereof. Written comments with respect to the Project may also be submitted to the undersigned prior to the hearing. Additional information regarding the proposed Project and the bond issue may be obtained in advance of the hearing from the undersigned. The Authority makes reasonable accommodations for any known disability that may interfere with a person's ability to participate in public meetings. Persons needing an accommodation must notify the Authority, by telephone at the number below or in writing at the address below, no later than five days prior to the hearing to allow adequate time to make needed arrangements.

Dated this 29th day of September, 2015.

Phil Steinhaus  
Chief Executive Officer  
Housing Authority of the  
City of Columbia, Missouri  
201 Switzler Street  
Columbia, Missouri 65203  
(573) 443-2556 ext. 1122  
TTY Relay 800.735.2966

INSERTION DATE: October 1, 2015.



## Housing Authority of the City of Columbia, Missouri

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201 Switzler Street, Columbia, MO 65203

Office: 573.443.2556 ♦ TTY Relay 800.735.2966 ♦ Fax: 573.443.0051 ♦ [www.ColumbiaHA.com](http://www.ColumbiaHA.com)

### MINUTES OF PUBLIC HEARING

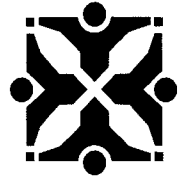
The undersigned, Chief Executive Officer of the Housing Authority of the City of Columbia, Missouri (the "Authority"), certifies that a public hearing was held on the offices of the Authority, 201 Switzler Street, Columbia, Missouri 65203, on Friday, October 16, 2015, commencing at 12:00 Noon, regarding the proposed issuance by the Authority of its housing revenue bonds in the maximum principal amounts, for the following borrower and project:

Not to exceed \$4,750,000 for the purpose of making a loan to Bear Creek Housing Development Group, LP, a Missouri limited partnership, to finance a portion of the costs of the acquisition and rehabilitation of approximately 76 apartments units located at 1000-1304 Elleta Boulevard in the City of Columbia, Missouri.

No members of the public attended. At 12:10 p.m. the public hearing was closed.

  
\_\_\_\_\_  
Phil Steinhaus, Chief Executive Officer

  
\_\_\_\_\_  
Date



## SUPPORTING DOCUMENTS INCLUDED WITH THIS AGENDA ITEM ARE AS FOLLOWS:

Materials relating to the Bear Creek Apartments housing project provided by  
Phil Steinhaus, CEO of the Housing Authority of the City of Columbia, MO



# Housing Authority of the City of Columbia, Missouri

201 Switzler Street, Columbia, MO 65203

Office: 573.443.2556 ♦ TTY Relay 800.735.2966 ♦ Fax: 573.443.0051 ♦ [www.ColumbiaHA.com](http://www.ColumbiaHA.com)

To: Columbia City Council

From: Phil Steinhaus, CEO

A handwritten signature in black ink, appearing to read 'Phil Steinhaus', is written over the printed name.

Date: November 16, 2015

RE: Approval of Tax-Exempt Housing Bonding Capacity for the Renovation of the Bear Creek Apartments

The Columbia Housing Authority (CHA) was awarded 4% low-income housing tax credits (LIHTC) combined with tax-exempt bonds to provide financing for the renovations to the Bear Creek Apartments. Funding was allocated by the Missouri Housing Development Commission (MHDC) for this project as follows:

Development Name	Developer	Federal 4% Tax Credits	State 4% Tax Credits
Bear Creek Apartments	CHA Affordable Housing Development, LLC	\$260,353	\$260,353

By IRS regulations, the issuance of 4% Low-Income Housing Tax Credits must be paired with a tax-exempt housing bond and the tax-exempt bond must account for at least 50% of the “eligible basis” of the construction costs for the tax credit project.

Once LIHTC funding was awarded to the project, the Columbia Housing Authority began working toward “firm submission” to the MHDC of all final projected costs for the project. This included putting the project out for bid and selecting all contractors to complete the construction on the project.

The final construction costs have been calculated and the CHA is planning to issue a tax-exempt housing bond in an amount not to exceed 4,750,000 in order to meet the 50% bond funding threshold established by the IRS. The CHA is requesting that the Columbia City Council adopt a resolution approving this bonding authority for this project.

The CHA is authorized and empowered under Chapter 99 of the Revised Statutes of Missouri, as amended (the “Act”), to issue revenue bonds to finance housing projects (as defined in the Act), for the purposes set forth in the Act.

Gilmore & Bell, P.C. is serving as the Bond Counsel for the CHA, and together with the attorneys, officers and employees of the CHA, will be authorized to work with the purchasers of the bonds, the Applicant (the Bear Creek Housing Development Group, LP), their respective counsel and others, to prepare for submission to and final action by the CHA all documents necessary to effect the authorization, issuance and sale of the bonds and other contemplated actions.



## Bear Creek Apartments – Physical Conditions Assessment & Scope of Work

As a requirement of the Rental Assistance Demonstration (RAD) program, a Physical Conditions Assessment was completed on the 76 Bear Creek Apartments to determine the scope of work necessary to substantially rehabilitate these public housing units.

The scope of work includes the following items:

- New interior and exterior framing
- New siding and roof membranes
- New interior and exterior doors and windows
- New flooring, drywall, and interior painting
- New kitchen appliances, fixtures, cabinetry, and ventilation fans
- New bathroom fixtures, cabinetry, and ventilation fans
- Plumbing upgrades
- New water heaters and HVAC systems
- New light fixtures and electrical panels
- Improved accessibility and creation of ADA units.

The renovation of the Bear Creek Apartments is the second phase in the CHA's process of renovating all of its public housing units utilizing HUD's Rental Assistance Demonstration (RAD) Program.

Rental Assistance Demonstration (RAD) Program CHA Public Housing Renovation Phases					
Phase	Public Housing Sites	Type & # of Units	Rehab Level	LIHTC	Submission Date(s)
1	Stuart Parker	84 Townhomes	Major	4%	5-2014 *
	Paquin Tower	200 High Rise Units	Minor		
2	Bear Creek	78 Townhomes	Modest	4%	9-2014 *
3	Bryant Walkway	70 Townhomes	Major	9%	9-2015
4	Oak Towers	147 High Rise Units	Modest	4%	9-2015
5	Providence Walkway	70 Townhomes	Major	9%	9-2016
6	East Park Avenue	70 Townhomes	Major	9%	9-2017
* Funded applications					

## Rental Assistance Demonstration Program (RAD)

The HUD Rental Assistance Demonstration (RAD) Program allows Public Housing Authorities (PHAs) to convert public housing subsidies into long-term, Project-Based Section 8 rental assistance subsidy contracts. This is beneficial to PHAs because historically public housing subsidies and funding for capital projects have been unpredictable and fluctuated annually due to federal budget cuts. Project-Based Section 8 Vouchers provide a stable and predictable annual subsidy. Stable and predictable revenues allow the Columbia Housing Authority (CHA) to secure loans and attract investors under the LIHTC program.

The RAD Program in conjunction with the LIHTC program will allow the CHA to make necessary capital improvements to all 719 CHA Public Housing properties. CHA is the first approved RAD conversion in Missouri.

The RAD Program provides significant protections for Public Housing residents to ensure that they will continue to be eligible to receive housing assistance once the conversion is approved and the renovations are complete. Public Housing serves families and individuals with very-low incomes at or below 30% of the Median Family Income (MFI). The CHA's Public Housing properties will continue to serve this population after the approval of the RAD conversion and the renovation of the CHA's Public Housing properties.

An added benefit is that Public Housing residents will be able to move with assistance after living in the renovated Public Housing units for one year. At this time, the resident may request a Section 8 Housing Choice Voucher and move with assistance if they so desire.