

CHA's Public Housing Renovation & Financial Stabilization

Affordable * Accessible * Energy-Efficient * Healthy * Safe * Well-Maintained

Rental Assistance Demonstration (RAD) Program:

- Overview of CHA's Public Housing Financials;
- HUD's new RAD Program;
- Resident Protections Under the RAD Program;
- How RAD will Enable Renovations & Financial Stabilization; and,
- Stuart Parker Apartments Development Concepts

Columbia
City Council

August 21, 2013

PRESENTED BY:

COLUMBIA
HOUSING
AUTHORITY



THE CURRENT STATE OF COLUMBIA HOUSING AUTHORITY'S OPERATING FINANCIALS

- Columbia Housing Authority's Public Housing operations are currently funded by:
 - Rent Income;
 - Operating Subsidies; and
 - Capital Funds.
- The current financial model has been unstable for many years and is not keeping pace with rising costs
 - Current operating subsidies are subject to unpredictable proration - as low as 80% of the calculated need
 - Capital Funding has decreased by 26% over the last 12 years,

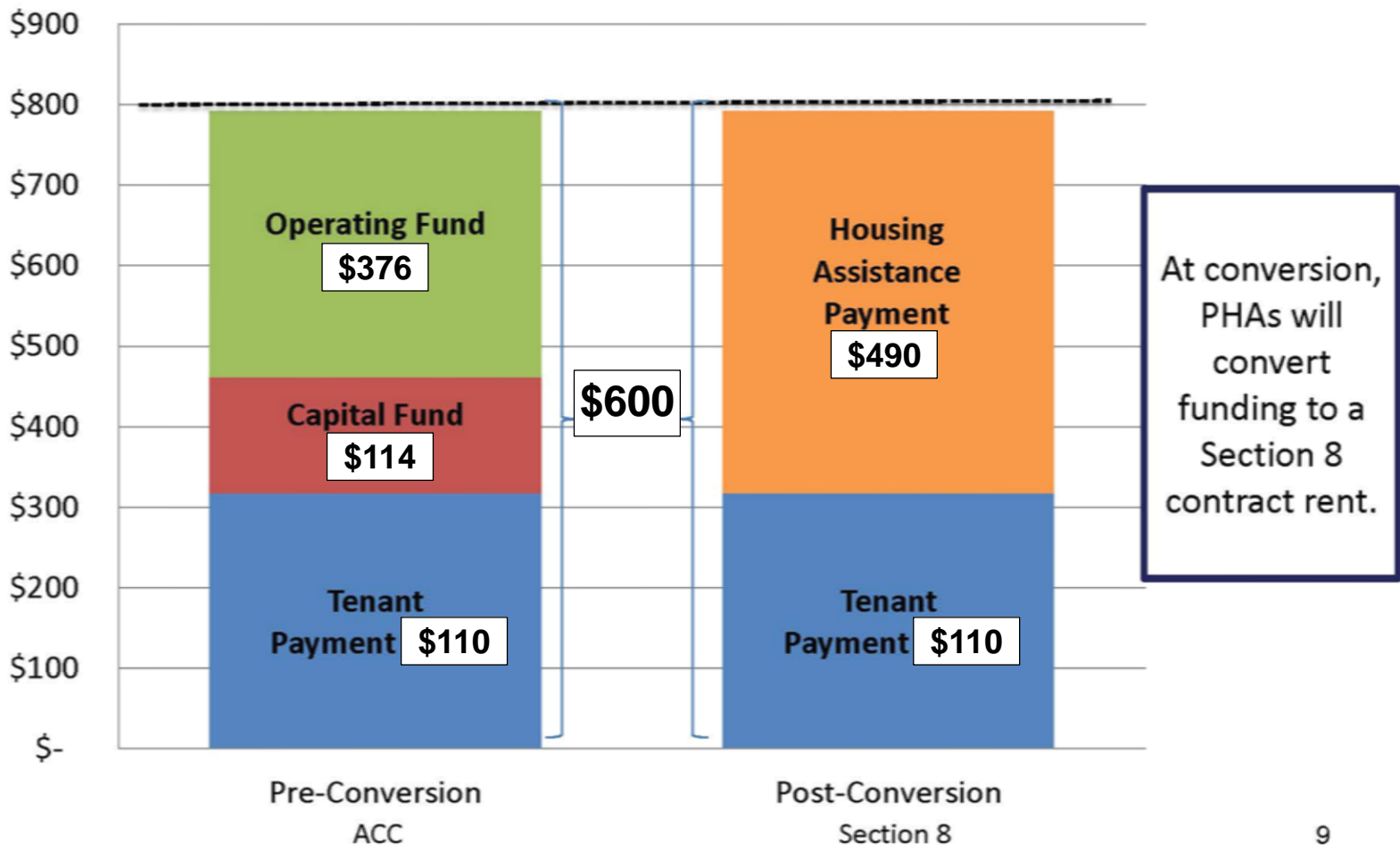
HUD'S NEW PILOT PROGRAM - DESIGNED TO TRANSITION PHA'S TO A MORE STABLE FINANCIAL MODEL

- “Rental Assistance Demonstration” Program (RAD) is a new pilot program designed by the U.S. Department of Housing and Urban Development (HUD).
- RAD was designed to encourage public housing authorities to transition from the current financial model to a model based on the successful and more stable Project-Based Housing Choice Voucher program.
- RAD funding, contract rents, will be locked in at the current year's rate for an initial contract term of 15 to 20 years and adjusted annually by an operating cost factor.



PUBLIC HOUSING CONVERSION RENT LEVELS

Sample Public Housing Conversion
Per Unit Monthly (PUM)



ENABLING THE RENOVATION, PRESERVATION AND MODERNIZATION OF OUR CURRENT HOUSING STOCK

- RAD was also designed to enable the renovation, preservation and modernization of current housing stock
- The long-term, stable contract rents are necessary when applying for funding through Missouri's Low-Income Housing Tax Credit (LIHTC) program.
- LIHTC is the major funding source for developing and/or renovating low-income housing units.

RAD PRE-SUBMISSION REQUIREMENTS

- **Evidence that our Application is Financial Feasible.**
- **Identification of Potential Lenders or Investors.**
- **Resident Meetings.**

RAD APROVAL

- **RAD Award Letter**
- **Commitment to Enter into a Housing Assistance Payment (CHAP)**
- **Physical Conditions Assessment (PCA)**
- **Must be in Annual/5-Year Plan**

PROTECTIONS FOR PUBLIC HOUSING RESIDENTS AFFECTED BY “RAD” CONVERSION

- No Re-screening of Tenants upon Conversion.
- Right to Return (when rehabilitation or construction is completed).
- Renewal of Lease.
- Phase-in of Tenant Rent Increases.

PROTECTIONS FOR PUBLIC HOUSING RESIDENTS AFFECTED BY “RAD” CONVERSION

Continued...

- **Public Housing Family Self Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.**
- **Resident Participation and Funding.**
- **Resident Choice and Mobility.**

AFFORDABLE HOUSING INITIATIVE - RENOVATION & PRESERVATION OF OUR CURRENT HOUSING STOCK

- **Our primary focus is on the 294 Public Housing units in the CHA's Downtown Family Site properties. These are our oldest units and also in most need of repair.**
- **Of these 294 Downtown units, our first renovation project will be the 84 units located on Unity, Lincoln, Worley, Oak and Hicks in which we will call Stuart Parker Apartments.**
- **It may require 5 phases and 6 to 7 years to completely renovate all 719 CHA Public Housing units.**

**REACHING THE COMBINED GOAL OF RENOVATION & PRESERVATION
ALONG WITH TRANSITIONING AS MANY HOUSING UNITS AS POSSIBLE**

- The RAD program allows the CHA to “bundle” properties into a single phase of the project. For instance, we may apply to convert both Stuart Parker Apartments and Paquin Tower in one application. The end result of bundling would be:
 - All major repairs are performed on both the Stuart Parker Apartments (84 units) and Paquin Tower (200 units) properties;
 - Since Paquin Tower will require comparably little work, we can apply a larger percent of the LIHTC funding towards Stuart Parker (which will need a much higher level of renovations).

**REACHING THE COMBINED GOAL OF RENOVATION & PRESERVATION
ALONG WITH TRANSITIONING AS MANY HOUSING UNITS AS POSSIBLE**

- **We would be able to transition 284 units (as opposed to only 84 Stuart Parker units) from the current financial model to the RAD model based on the successful and more stable Project-Based Housing Choice Voucher program.**
- **Other “bundling” could include Bear Creek (78 units) and Oak Towers (147 units.)**
- **Phasing of three additional Downtown projects would allow for the renovation of all 294 Downtown units.**

DEVELOPMENT CONCEPTS

STUART PARKER APARTMENTS

- The next several slides will illustrate our first renovation project which will be the 84 units located on Unity, Lincoln, Worley, Oak and Hicks in which we will call Stuart Parker Apartments.
 - These units will require substantial renovations and will require temporary displacement of our residents, all controlled though both the Uniform Relocation Act of 1970 and the resident protections outlined in Rental Assistance Demonstration program.
 - This process will be similar for all future renovations throughout the 294 Downtown properties.
 - We do not foresee any renovation work at either Oak or Paquin Towers that would require displacement of residents.



Affordable Housing Initiative

Affordable ♦ Accessible ♦ Energy-Efficient ♦ Healthy ♦ Safe ♦ Well-Maintained

CHA Rental Assistance Demonstration (RAD) Program and Low-Income Housing Tax Credit (LIHTC) Application Deadlines

August 19, 2013

CHA Public Housing Developments

RAD Project Number	Public Housing Site		RAD Application Date	First LIHTC Application Date	Second LIHTC Application Date	Third LIHTC Application Date	LIHTC		Other Potential Funding		Total Development Costs	First Possible Funding Award	Construction Start
	Name	# of Units					Type	Amount	Source	Amount			
1	Stuart Parker I	84	Aug-13	Sep-13	Mar-14	Sep-14	4%	\$700,000	City HOME	\$325,250	\$23,300,000	Dec-13	2014
	Paquin Tower	200							FHLBB	\$425,000			
2	Bear Creek	78	Jan-14	Mar-14	Sep-14	Mar-15	4%	\$700,000	MHCD HOME	\$800,000	\$18,000,000	Jun-14	2015
	Oak Towers	147											
3	Stuart Parker II	70	Jul-14	Sep-14	Sep-15	Sep-16	9%	\$610,000	TBD	TBD	\$10,500,000	Dec-15	2016
4	Stuart Parker III	70	Jul-15	Sep-15	Sep-16	Sep-17	9%	\$610,000	TBD	TBD	\$10,500,000	Dec-16	2017
5	Stuart Parker IV	70	Jul-15	Sep-16	Sep-17	N/A	9%	\$610,000	TBD	TBD	\$10,500,000	Dec-17	2018

Other CHA Multifamily Developments

Multifamily Project Number	Development Name	Total Units	First LIHTC Application Date	Second LIHTC Application Date	Third LIHTC Application Date	LIHTC		Other Potential Funding		Total Development Costs	First Possible Funding Award	Construction Start
						Type	Amount	Source	Amount			
1	Kinney Point	42	Sep-13	Sep-14	Sep-15	9%	\$520,000	MHDC HOME	\$700,000	\$7,345,000	Dec-13	2014
2	McQuitty Square	21	TBD	TBD	TBD	TBD	TBD	City CDBG	\$190,000	TBD	TBD	TBD



STUART PARKER APARTMENTS

Lincoln Dr.
Unity Dr.
W. Worley St.
Oak St.
Hicks Dr.

RENTAL ASSISTANCE DEMONSTRATION PROGRAM

Questions?



Building Exteriors: The unit entries lack individual identity. Everyone has the same 'front door' often times with no overhead weather protection.



Building Exteriors: Aluminum windows have reached the end of their expected useful life and window openings are small and sometimes too high above the floor.



Building Exteriors: The modifications to the original roofs included adding roof trusses and a new shingle roof over the original roofs with many of the original old roof materials still in place. This creates a concealed space with no access.



Building Exteriors: The masonry veneer is in generally good condition representing a good backbone for renovation purposes.



Building Interiors: Kitchen cabinets have reached the end of their expected useful life. Electrical panels inappropriately located above kitchen range. Washing machine located in kitchen.



Building Interiors: The townhouse stairs are suspended from the ceiling, have open risers and are difficult when navigating furniture upstairs.



Building Interiors: The second floor townhouse bedrooms are very narrow.



Building Interiors: When the buildings were originally built, the concrete floor slabs were not poured on top of the perimeter foundation walls. This is creating instances of significant settlement of the ground floor slabs.



Building Plumbing: The plumbing supply and waste lines are a combination of newer materials and the original (mostly under the slab). Many of the original lines are beginning to fail and will require removing the concrete floor for repair and replacement.



Building HVAC: The Heating and Cooling of the units is through conventional split systems with the furnace located within the unit and the condensing unit outside. At some properties these systems have been upgraded to energy efficient heat pumps. There are however, no mechanical exhaust fans in the bathrooms.



Building Electrical: The electrical panels are oftentimes located in the kitchen above the range. Their size is not adequate for the 3 and 4 bedroom units. In many units, outlets were not GFI protected.



Building Interiors: Smoke detectors are present in all units but not always in every bedroom.

SO WHAT DOES THIS MEAN:

SHOULD THE UNITS BE DEMOLISHED WITH NEW STRUCTURES TAKING THEIR PLACE OR SUBSTANTIALLY
RENOVATE THE EXISTING STRUCTURES?

DEMOLITION AND NEW CONSTRUCTION OF THESE UNITS WILL REQUIRE APPROXIMATELY \$125,000 TO
\$135,000 PER UNIT.

RENOVATION OF THESE UNITS WILL REQUIRE APPROXIMATELY \$75,000 TO \$85,000 PER UNIT.

WITH THE SAME AMOUNT OF FUNDS, MORE UNITS CAN BE RENOVATED.

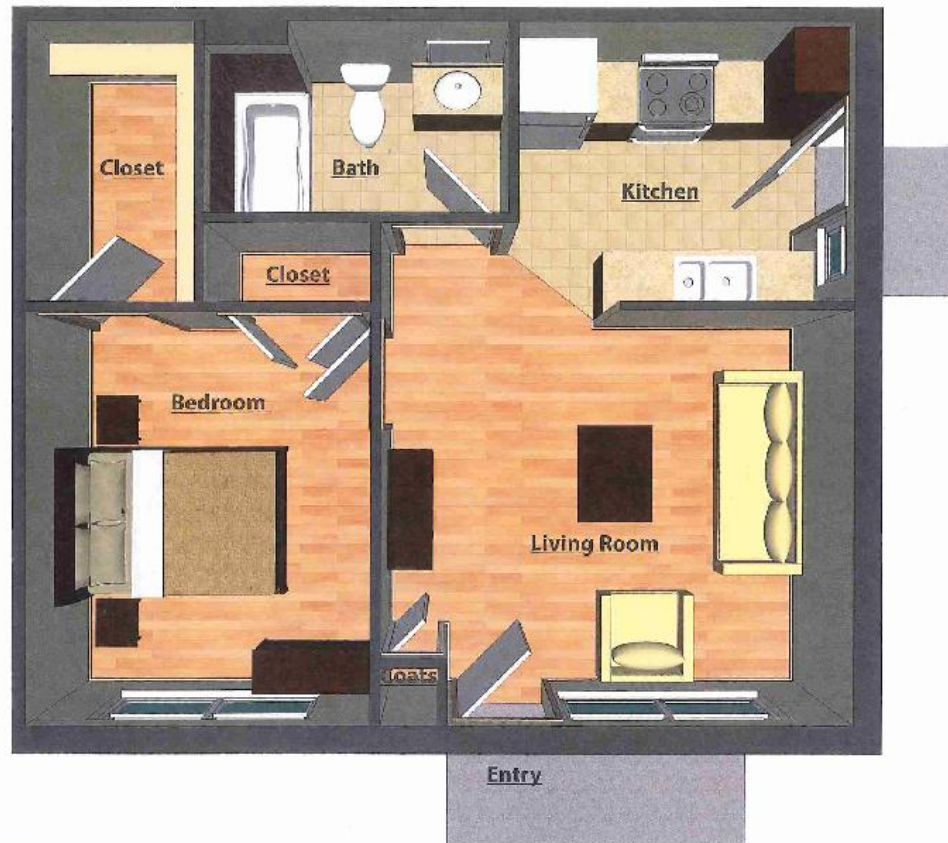
THE PROPOSED RENOVATIONS WILL INCLUDE THE FOLLOWING:

- All new plumbing, wiring, and heating/ cooling for the units.
- New ground floor concrete slabs will be provided to accommodate new underground piping and alleviate settlement issues.
- The units will receive extensive demolition during the renovation including all fixtures, floor slabs, piping, electrical wiring, and windows/ doors.
- Kitchens and bathrooms will get all new cabinets/ vanities, showers, tubs, and light fixtures.
- The 1st floor townhouse units will be reconfigured to provide a larger kitchen (more useable work surfaces), better distribution of storage areas, a possible ½ bathroom, and a larger living room.
- The 2nd floor townhouse units will be reconfigured to create larger secondary bedrooms (which will require re-locating the bathroom).
- The 1 bedroom garden units will be reconfigured to create better access to the bathroom (not through the bedroom) which will create a walk-in closet for the bedroom. The living room will become larger and the kitchen will be reconfigured to create additional work surface.
- The exterior of the buildings will be re-finished with cement board siding and new insulated windows. The masonry veneer will remain.
- The building roofs will remain however heat detection will be added to the concealed attic spaces.









1 Bedroom Garden Unit Plan

Columbia Housing Authority

TIM PERSON &
ASSOCIATES, LLC

ND
DESIGN GROUP

CAPITAL
CONSTRUCTION



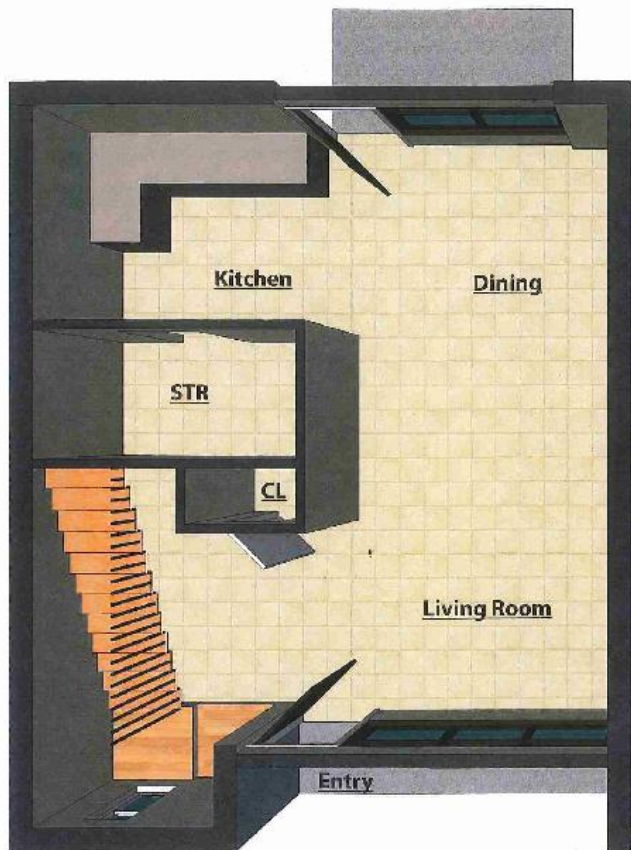
2 Bedroom Townhouse Plan

Columbia Housing Authority

TIM PERSON &
ASSOCIATES, LLC

ND
CONSULTING GROUP

CAPITAL
CONSULTANTS



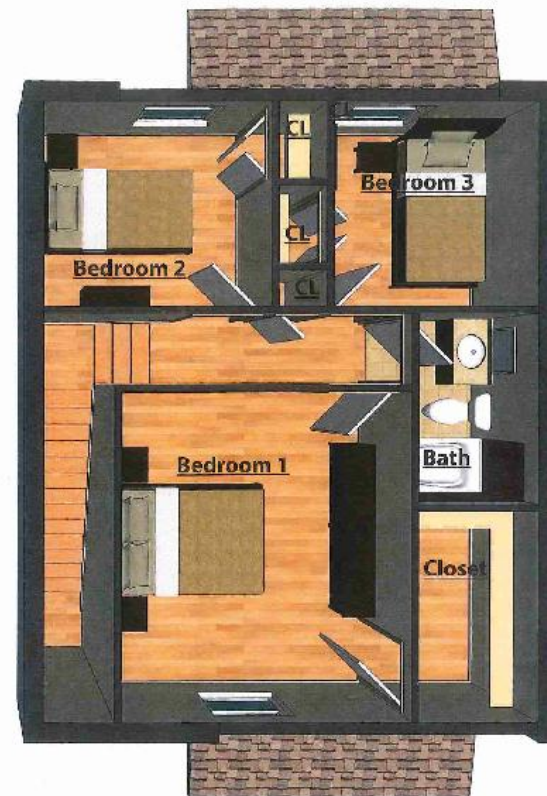
Existing 3 Bedroom Townhouse Plan

Columbia Housing Authority

TIM PERSON &
ASSOCIATES, LLC

ND
CONSULTING GROUP

CAPITAL
CONSULTANTS



3 Bedroom Townhouse Plan

Columbia Housing Authority

TIM PERSON &
ASSOCIATES, LLC

ND
CONSULTING GROUP

CAPITAL
CONSULTANTS

FUNDING SOURCES

Primary Affordable Housing Development Sources

- State and Federal 9% Low Income Housing Tax Credits (LIHTC) from MHDC
- State and Federal 4% LIHTC financing
- Tax exempt bonds

Gap Funding Sources for Affordable Housing

- HOME funds from Missouri Housing Development Commission or City of Columbia
- Community Development Block Grant (CDBG) Funds administered by the City of Columbia.
- Federal Home Loan Bank of Des Moines's Affordable Housing Programs

SCHEDULE FOR “LOW-INCOME TAX HOUSING CREDITS”

(APPLICATIONS TO MISSOURI HOUSING DEVELOPMENT COMMISSION)

- | | |
|---|------------------------|
| ■ Deadline for Submission to MHDC | September, 2013 |
| ■ MHDC Selection of Projects | December, 2013 |
| ■ Conditional Commitment | January, 2014 |
| ■ Finalize Drawings / Construction Price | May, 2014 |
| ■ Begin Construction | August, 2014 |
| ■ Construction Completion | August, 2015 |