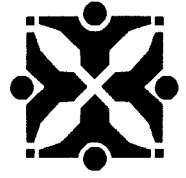


# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** R 134-15

**Department Source:** City Manager's Office

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** 8/17/2015

**Re:** Resolution expressing support to assist Columbia Housing Authority in securing 9% Low-Income Housing Tax Credit funding to renovate aging public housing stock and 4% Low-Income Housing Tax Credits to complete significant renovations to Oak Towers.

## Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

**Supporting documentation includes:** Letter from Columbia Housing Authority (includes letter, project overview and map)

## Executive Summary

After being approached by the Columbia Housing Authority (CHA), staff has prepared this resolution requesting support for CHA's resubmittal of an application for 9% Low-Income Housing Tax Credits (LIHTC) and new application for 4% LIHTC to complete significant renovations to Oak Towers. This LIHTC funding will enable CHA to complete the next two phases of their strategic plan to renovate all 719 units of public housing stock in the City of Columbia.

The CHA is one of two housing authorities in Missouri that have been selected by HUD to participate in the Rental Assistance Demonstration (RAD) program. The RAD program enables the CHA to replace declining public housing operating subsidies with a long-term contract rent subsidy using Project-Based Housing Choice Vouchers. This contract rent subsidy provides the financial stability necessary to complement the CHA's 9% and 4% LIHTC financing application. This will ensure that these properties continue to serve persons with low incomes below 50% of the MFI.

CHA is in need of strong support from the City of Columbia to secure these two LIHTC funding opportunities as the Missouri Housing Development Commission (MHDC) gives serious consideration to the demonstration of community support for LIHTC applications. The Columbia City Council must also provide its support if these projects are to be funded. Adoption of this resolution also ties strongly to categories within our Vision Statements, our Strategic Plan and our Comprehensive Plan. (impact areas are specified below)

On November 17th, 2014 the Columbia City Council adopted Resolution 217-14 "authorizing support of the Columbia Housing Authority's Affordable Housing Initiative and the prioritization of tax credits towards renovation of public housing in the central Columbia area." This resolution was important in establishing the Columbia City Council's priorities for LIHTC funding in Columbia. A resolution supporting the CHA's LIHTC applications for the renovation of the Bear Creek Apartments and Oak Towers will reinforce the City Council's priority for renovating and preserving public housing in Columbia.

# City of Columbia

701 East Broadway, Columbia, Missouri 65201



## Discussion

The Columbia Housing Authority is resubmitting an application for 9% Low-Income Housing Tax Credits (LIHTC) to the Missouri Housing Development Commission (MHDC) to complete the third phase of their plan to renovate the CHA's 719 public housing units located in Columbia. This project will complete major renovations to the Bryant Walkway Apartments, which consist of 70 townhomes providing housing to low-income families. The Bryant Walkway Apartments application was rated very high by the MHDC but did not receive funding in the 2015 round of allocations.

The CHA is also submitting a new application for 4% Low-Income Housing Tax Credits to complete significant renovations to Oak Towers which includes 147 public housing units serving the elderly and near elderly.

The renovation of the Bryant Walkway Apartments and Oak Towers represent the 3rd and 4th phases of the CHA's strategic plan to renovate all 719 units of the CHA's public housing stock.

## Fiscal Impact

Short-Term Impact: There are no short-term fiscal impact to the City of Columbia.

Long-Term Impact: There are no short-term fiscal impact to the City of Columbia.

## Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Community Character, Development, Downtown, and Health, Social Services & Affordable Housing

Strategic Plan Impact: Growth Management

Comprehensive Plan Impact: Land Use and Growth Management, Inter-Governmental Cooperation, Livable & Sustainable Communities

## Suggested Council Action

Should Council agree, adoption of the Resolution is recommended.

## Legislative History

November 17th, 2014: The Columbia City Council adopted R217-14 "authorizing support of the Columbia Housing Authority's Affordable Housing Initiative and the prioritization of tax credits towards renovation of public housing in the central Columbia area."

Department Approved

City Manager Approved

Introduced by \_\_\_\_\_ Council Bill No. R 134-15

### **A RESOLUTION**

expressing support for the Columbia Housing Authority's applications 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 that is accessible, energy efficient, healthy, safe and well-maintained 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 applications for consideration of award of Low Income Housing Tax Credits necessary to finance the renovation of the Bryant Walkway Apartments and Oak Towers.

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

SECTION 1. The City of Columbia hereby supports the applications made by the Housing Authority of the City of Columbia, Missouri to the Missouri Housing Development Commission for renovation of the following public housing projects:

- Nine percent (9%) Low Income Housing Tax Credits for renovation of seventy (70) apartment units in Bryant Walkway Apartments.
- Four percent (4%) Low Income Housing Tax Credits for renovation of Oak Towers.

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

ATTEST:

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

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

APPROVED AS TO FORM:

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



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

Letter from Columbia Housing Authority (includes letter, project overview and map)



## 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](http://www.ColumbiaHA.com)

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

From: Phil Steinhaus, CEO

Date: August 17, 2015

RE: Request for City Council Resolution of Support for the Columbia Housing Authority's Two Applications for Low-Income Housing Tax Credits to Renovate Public Housing.

The Columbia Housing Authority is resubmitting an application for 9% Low-Income Housing Tax Credits (LIHTC) to the Missouri Housing Development Commission (MHDC) to complete the third phase of our plan to renovate the CHA's 719 public housing units located in Columbia. This project will complete major renovations to the Bryant Walkway Apartments, which consist of 70 townhomes providing housing to low-income families. Our Bryant Walkway Apartments application was rated very high by the MHDC but did not receive funding in the 2015 round of allocations.

The CHA is also submitting a new application for 4% Low-Income Housing Tax Credits to complete significant renovations to Oak Towers which includes 147 public housing units serving the elderly and near elderly.

The renovation of the Bryant Walkway Apartments and Oak Towers represent the 3<sup>rd</sup> and 4<sup>th</sup> phases of the CHA's strategic plan to renovate all 719 units of the CHA's public housing stock.

***I am requesting a resolution of support from the City Council for these two applications.***

The MHDC gives serious consideration to the demonstration of community support for LIHTC applications. The Columbia City Council must also provide its support if these projects are to be funded. This LIHTC funding will enable us to complete the next two phases of our strategic plan to renovate all 719 units of public housing stock in the City of Columbia.

On November 17<sup>th</sup>, 2014 the Columbia City Council adopted Resolution 217-14 "*authorizing support of the Columbia Housing Authority's Affordable Housing Initiative and the prioritization of tax credits towards renovation of public housing in the central Columbia area.*" This resolution was important in establishing the Columbia City Council's priorities for LIHTC funding in Columbia. A resolution supporting the CHA's LIHTC applications for the renovation of the Bear Creek Apartments and Oak Towers will reinforce the City Council's priority for renovating and preserving public housing in Columbia.

### **HUD Rental Assistance Demonstration (RAD) Program**

The CHA is one of two housing authorities in Missouri that have been selected by HUD to participate in the Rental Assistance Demonstration (RAD) program. The RAD program enables the CHA to replace declining public housing operating subsidies with a long-term contract rent subsidy using Project-Based Housing Choice Vouchers. This contract rent subsidy provides the financial stability necessary to complement the CHA's 9% and 4% LIHTC financing application. This will ensure that these properties continue to serve persons with low incomes below 50% of the MFI.

There is a critical need to preserve Public Housing as an important affordable housing resource for low-income families living in our community. I ask that you adopt a resolution supporting the Columbia Housing Authority's Affordable Housing Initiative and our applications for 9% and 4% Low-Income Housing Tax Credits to renovate our aging Public Housing properties.

## **CHA Project Overview**

### **Bryant Walkway Apartments and Oak Towers**

A map showing the location of the Bryant Walkway Apartments and Oak Towers is attached.

#### **Phase 1 – Stuart Parker with Paquin Tower Apartments**

On June 20, 2014 the Missouri Housing Development Commission (MHDC) approved 4% Low-Income Housing Tax Credit (LIHTC) funding for the first phase of the renovation project. The 84 Townhomes located on Lincoln, Unity, Worley, Oak, and Hicks Drives will be renovated beginning in the fall of 2015. Modest improvements to Paquin Tower will also be completed as part of this project.

#### **Phase 2 – Bear Creek Apartments**

On December 5, 2014, the MHDC approved 4% LIHTC funding for our Bear Creek Apartments which consist of 76 townhomes providing affordable housing to low-income families living on Elleta Boulevard. The renovation process will begin in late 2015.

#### **Phase 3 – Bryant Walkway (9% LIHTC)**

Constructed in 1963, the renovation of the Bryant Walkway Apartments represents the 3rd phase of the CHA's plan to modernize its Public Housing properties and make these apartments more livable, accessible, and energy efficient. Major renovations to these apartments are needed to replace the deteriorating plumbing systems and floating slab flooring, bring electrical systems up to modern standards, insulate the apartments and increase energy efficiency, improve interior design and functionality, and create a healthier living environment with adequate ventilation in the kitchen and bathroom areas. This work will also preserve this very important affordable housing stock that serves very low income families in the heart of our community.

***Due to the extensive renovations that are required, this project can only be completed using 9% LIHTC funding. The 9% low-income housing tax credits provide a much larger amount of equity for affordable housing projects than the 4% LIHTC. This results in significant competition state-wide for 9% LIHTC funding and the need for communities to show strong support for their proposed 9% LIHTC projects.***

#### **Phase 4 – Oak Towers (4% LIHTC)**

Constructed in 1967, the renovation of Oak Towers represents the 4th phase of the CHA's plan to modernize its Public Housing properties and make these apartments more livable, accessible, and energy efficient. Major renovations to Oak Towers are needed to install an energy-efficient geothermal HVAC system that will replace the aging hot water heating system and window air conditioners. Other improvements include creating ADA accessible units; installing new energy-efficient windows; replacing aging appliances, cabinetry, and doors; and replacing flooring and ceiling tile. These renovations will improve the design and functionality of the building and create a healthier living environment for all residents. This work will also preserve this very important affordable housing stock that serves very low income families in the heart of our community.

#### **Phases 5 & 6 – Providence Walkway and East Park Avenue Apartments**

Applications for Low-Income Housing Tax Credits to complete our final fifth and sixth phases will be submitted in September 2016 and September 2017. If funded, renovations are projected to be completed in 2018 and 2019 respectively. These two phases will complete the last 140 public housing units located near downtown Columbia: The Providence Walkway Apartments (70 units) and the East Park Avenue.

### **Rental Assistance Demonstration Program**

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 apply for Low-Income Housing Tax Credits and other sources of financing to fund public housing renovations.

In August 2013, the CHA was the first of only two housing authorities in Missouri to be approved to participate in the RAD Program. The RAD program enables the CHA to replace declining public housing operating subsidies with a long-term contract rent subsidy using Project-Based Housing Choice Vouchers. This contract rent subsidy provides the financial stability necessary to complement the CHA's 9% and 4% LIHTC financing application. This will ensure that these properties continue to serve persons with low incomes below 50% of the MFI.

In addition, 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 50% of the Median Family Income (MFI). The majority of our families have incomes at or below 30% of the 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 that time, the resident may request a Section 8 Housing Choice Voucher and move with assistance if they so desire.

### **Leveraging Low-Income Housing Tax Credits for Columbia**

These two applications for Low-Income Housing Tax Credits (LIHTC) will provide a total of \$15,200,000 of outside equity to our community to support these renovation projects. (Bryant Walkway \$9,400,000 & Oak Towers \$5,800,000) These funds in turn will support the major renovation of 70 Downtown Public Housing Units and significant improvements to Oak Towers and preserve these critical affordable housing resources for future generations.

The affordable housing application for low-income tax credits is due to the Missouri Housing Development Commission on or before September 4, 2015. Notification of awards is anticipated to be announced by MHDC by December 2015. If these projects are selected for funding, renovations could begin in nine (9) to twelve (12) months from the time of award, once the final submission process is complete.

***Thank you for your support for preserving affordable housing in Columbia.***



## CHA Public Housing Properties in the "Heart of Columbia"

Stuart Parker Apartments  
Phase 1 - 84 Units \*  
Also includes 200 Units  
At Paquin Tower (not shown)

Bryant Walkway Apartments  
Phase 3 - 70 Units

Oak Towers  
Phase 4 - 147 Units

Providence Walkway Apartments  
Phase 5 - 70 Units

East Park Avenue Apartments  
Phase 6 - 70 Units



Bear Creek Apartments  
Elleta Boulevard  
Phase 2 - 76 Units  
(Not Shown on the Map.)