



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: September 5, 2017

Re: Approving a HOME Funding Agreement with the Columbia Housing Authority

## Executive Summary

Approving this resolution authorizes a HOME funding agreement in the amount of \$80,000 for the Columbia Housing Authority's Oak Tower renovations. The Council approved \$80,000 in HOME funding as a part of the FY 2016 Annual Action Plan for the Columbia Housing Authority's Oak Tower renovations. The funding will be provided as a 0% interest loan due upon transfer of title.

## Discussion

Oak Towers consist of 147 high rise units for seniors located at 700 N. Garth. These 147 renovated units will provide affordable housing for an estimated 165 households composed of 175 individuals each year. This project is designed to be primarily funded with low-income housing tax credits over a 15-year period. With an average 13% turnover each year, over 1,000 individuals will be served by this project.

MHDC tax credit funding requires that the owner of the project be a for-profit entity in order to receive tax credits for the purpose of raising equity for the project. Oak Towers Housing Development Group, LP is the project owner, therefore the attached HOME funding agreement includes this legal entity. These funds will assist the Columbia Housing Authority in completing significant renovations primarily funded through the Missouri Housing Development Commission's (MHDC) Low-Income Housing Tax Credit funding. City HOME funding will be used in partnership with other project sources to complete the following renovations at Oak Towers:

1. Renovate & expand 7 efficiency apartments into fully accessible 1 bedroom apartments.
2. Energy retrofits and upgrades to the building's HVAC systems.
3. High efficiency boiler for the domestic hot water system;
4. Install LED lighting in all apartments, hallways, exit lights, and emergency lighting systems;
5. Upgrade elevators to improve ADA compliance with high-efficiency drives and motors.
6. Installation of new high efficiency low-e glass windows, painting, new smoke detectors, appliances, kitchen cabinets, plumbing fixtures, sanitary sewer lines, grab bars, shower panels, bathroom and bedroom doors and floor tile replacement.
7. Common areas renovations will include new automatic door operators in the lobby, ceiling tile replacement in the lobby, renovations and cleaning to the existing trash chute system.



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Funding sources for this project total over \$16 million and include financing, sponsor loan-AHP, Federal LIHTC Equity, State LIHTC Equity, Geothermal Tax Credit Equity, General Partner Equity, Deferred Developer Fee and City HOME funds.

City HOME funds have been held back to be the last funding source in to assist in meeting HUD timeliness rules and regulations. HOME regulations require project draws to be completed with 1-year of committing funds to the project and participant occupancy data must be entered within 18 months of final HOME draw for the project. Utilizing HOME funds as the last funding source in on the project ensures the City can more easily meet these funding management requirements, while still benefiting the overall financing of the project as a whole. City staff recommends approval of this funding.

## Fiscal Impact

Short-Term Impact: \$80,000 in HOME funding.

Long-Term Impact: None.

## Strategic & Comprehensive Plan Impacts

### Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Economy, Tertiary Impact: Tertiary

### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Mobility, Connectivity, and Accessibility, Tertiary Impact: Tertiary

## Legislative History

Date	Action
4/4/2016	City Council adopted the FY 2016 Annual Action Plan.
12/19/2016	City Council adopted the FY 2016 Annual Action Plan Amendment 1.
6/5/2017	City Council adopted the FY 2016 Annual Action Plan Amendment 2.

## Suggested Council Action

Approve the resolution authorizing \$80,000 in HOME funds for Oak Towers Housing Development Group, LP.