



Housing Authority of the City of Columbia, Missouri

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To: The Honorable Mayor Brian Treese and Members of the Columbia City Council

From: Phil Steinhaus, CEO

Date: October 2, 2017

RE: Approval of Tax-Exempt Housing Bonding Capacity for the Renovation of the Bryant Walkway II 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 Bryant Walkway II 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 | MHDC HOME |
|------------------------------|---|------------------------|----------------------|-----------|
| Bryant Walkway II Apartments | CHA Affordable Housing Development. LLC | \$590,000 | \$590,000 | \$690,000 |

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 \$3,300,000 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 Bryant Walkway II 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.

Bryant Walkway II 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 36 Bryant Walkway II Apartments to determine the scope of work necessary to substantially rehabilitate these public housing units.

The scope of work for the Bryant Walkway Apartments includes the following items:

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- New interior and exterior framing
- New siding
- New interior and exterior doors and windows
- New flooring, drywall, and interior painting
- New bathroom fixtures, cabinetry, and ventilation fans
- New kitchen appliances, 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 Bryant Walkway II Apartments is the fifth 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 | Oak Towers | 147 High Rise Units | Modest | 4% | 9-2015 * |
| 4 | Bryant Walkway | 54 Townhomes | Major | 9% | 9-2016 * |
| 5 | Bryant Walkway II | 36 Townhomes | Major | 4% | 9-2016 * |
| 6 | Providence Walkway | 50 Townhomes | Major | 9% | 12-2017 |
| 7 | East Park Avenue | 40 Townhomes | Major | 9% | 9-2018 |
| 8 | Fisher & Moore Walkway | 30 Townhomes | Major | 9% | 9-2019 |
| * 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 60% 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. Most of the families served by the CHA are considered extremely low-income with incomes at or below 30% of the MFI.

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.

CHA Request: The CHA is requesting that the Columbia City Council adopt a resolution approving this bonding authority for this project.