



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: April 2, 2018

Re: Amended Agreement with Oak Towers Housing Development Group, LP, and the Columbia Housing Authority re: HOME funding for renovations to Oak Towers.

## Executive Summary

Approving this resolution authorizes an amendment to 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. An agreement was previously approved by City Council on September 7, 2017 between the City and Oak Towers Housing Development Group, LP. This amendment adds the Columbia Housing Authority as a party to the agreement as requested by their legal representatives.

## 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. The legal representatives of the investor group requested that the agreement also include the Columbia Housing Authority, therefore, the amended agreement includes the City of Columbia, Oak Towers Development Group, LP and the Columbia Housing Authority. 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 seven efficiency apartments into fully accessible one-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.



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

6. Installation of new high-efficiency 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 area 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.

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 staff recommends approving the amended agreement.

## Fiscal Impact

Short-Term Impact: None.

Long-Term Impact: None

## Strategic & Comprehensive Plan Impacts

### Strategic Plan Impacts:

Primary Impact: Social Equity, Secondary Impact: Economy

### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Mobility, Connectivity, and Accessibility, Tertiary Impact: Land Use & Growth Management

## Legislative History

Date	Action
10/7/2014	City Council adopted the FY 2016 Annual Action Plan.
7/12/2017	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.
9/7/2017	Council approved the original agreement.

## Suggested Council Action

Approve the amended Oak Towers Home funding agreement.