



Department Source: Community Development - CDBG/Home

To: City Council

From: City Manager & Staff

Council Meeting Date: September 18, 2023

Re: Resolutions of support for September 2023 Low-Income Housing Tax Credit applications

## Executive Summary

The City Clerk's office has received requests from four developers seeking City Council resolutions of support for a total of four applications to be considered for Low-Income Housing Tax Credits (LIHTC) in the Missouri Housing Development Commission's September 2023 LIHTC application cycle. The Housing Authority of Columbia (CHA) requests support for the Providence Walkway redevelopment; JES Holdings LLC requests support for the Gentry Estates III development; Terravest Development Corporation, a developer in partnership with JES Holdings, LLC, requests support for the Spartan Pointe II development; and LEDG Capital LLC requests support for Columbia Square-Claudell Homes renovation project. All four projects address low-income housing needs in the city.

## Discussion

### **Background**

The Low-Income Housing Tax Credit (LIHTC) program was created by the Tax Reform Act of 1986. Nationally, this federal program is larger than the Community Development Block Grant and HOME Investment Partnerships programs as a source of funds for affordable housing. Locally, there have been a number of projects supported by the program, which is administered in Missouri by the Missouri Housing Development Commission (MHDC). The MHDC issues notices of funding opportunities for applications for four percent (4%) and nine percent (9%) tax credits. The percentages indicate the percentage of the estimated valuation of the proposed projects that the credits will provide each year for a period of ten years. The latest round of applications is due September 22, 2023.

### **CHA Providence Walkway (Nine percent tax credits)**

The CHA-Providence Walkway project is another stage in the continuing CHA Affordable Housing Initiative. The project involves redevelopment of 59 dwelling units in several buildings on the west side of Providence Road. CHA has begun the development review process for this project.

### **JES Holding LLC Gentry Place III (Nine percent tax credits)**

Gentry Place III is a future development of 50 housing units for income-qualified persons age 55 and older near the existing housing at Gentry Place I and II south of Nifong Boulevard and east of Bethel Road. Gentry Place III will be located southwest of the intersection of Aurora Drive and Nova Way.



### **Terravest Development Corp. Spartan Pointe II (Nine percent tax credits)**

Spartan Pointe II is a future development of 48 apartment dwelling units for families in two buildings located at the southeast corner of Battle Avenue and Spartan Drive, north of Spartan Pointe I which is currently under construction.

### **LEDG Capital LLC Columbia Square-Claudell Homes (Four percent tax credits)**

The Columbia Square-Claudell Homes renovation consists of improvements to the existing rental housing development of 175 total units located at 1715 West Worley Street. A number of units are in need of repairs, and the proposed project promises to rehabilitate the complex.

Applicants seeking low-income housing tax credits have sought City Council support through resolutions in the past, as indicated in the recent legislative history. While there appears to be no explicit requirement by MHDC or any city policy that requires such resolutions, the MHDC LIHTC application development questionnaire does ask applicants to respond to the statement “explain the level of local support the proposed development has received.” An expression of support from the elected body can give a boost to the particular project as well as align with the City’s Strategic Plan, which supports increased assistance for affordable housing.

### Fiscal Impact

Short-Term Impact: None. No city funds are requested.

Long-Term Impact: Tax credit-funded projects create positive fiscal outcomes for the City while meeting a need for low-income housing.

### Strategic & Comprehensive Plan Impact

#### Strategic Plan Impacts:

Primary Impact: Resilient Economy, Secondary Impact: Inclusive Community, Tertiary Impact: Tertiary

#### Comprehensive Plan Impacts:

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### Legislative History

Date	Action
9/6/22	R132-22 Resolution of support for CHA - Park Avenue
9/21/20	R113-20 Resolution of support for CHA Kinney Pointe
2/5/18	R11-18 Resolution of support for CHA Providence Walkway
8/15/16	R116-16 Resolution of support for Burrell Behavioral Health housing on Edenton and International Drive (R 98-16 7/18/16 support for CHA Bryant Walkway



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

7/18/16	R 100-16 7/18/16 support for JES Southampton & Sinclair defeated 2-5 (concern with 2014 resolution that established CHA as top priority for three years)
8/17/15	R 134-15 Resolution of support for CHA Bryant Walkway and Oak Towers
11/17/14	R 217-14 Resolution of support for CHA Bryant Walkway, Providence Walkway, and Park Avenue as Council's top LIHTC priorities for a period of three years (Nov 2014-Nov 2017)

## Suggested Council Action

Council may approve resolutions of support for the 2023 Low-Income Housing Tax Credit applications to the Missouri Housing Development Commission.