



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Manager

To: City Council

From: City Manager & Staff

Council Meeting Date: April 3, 2023

Re: Approving an ARPA funding agreement for Columbia Housing Authority's Park Avenue Project

## Executive Summary

Approving this ordinance will appropriate funds and authorize an ARPA funding agreement in the amount of \$2,000,000 for Columbia Housing Authority's Park Avenue Project. The Council declared its commitment and intent to support this project with up to \$2,000,000 in ARPA funding on September 6, 2022 in conjunction with its support of Columbia Housing Authority's application for low-income housing tax credits for the financing of the project. The funding will be provided as a 0% interest loan due upon transfer of title, and forgivable after 20 years.

## Discussion

As part of the American Rescue Plan Act (ARPA), the City received \$25,284,624 in Coronavirus State and Local Fiscal Recovery Funds (SLFRF). SLFRF funds may be used to replace lost public sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and investments in water, sewer and broadband infrastructure. The U.S. Treasury recognizes that the development of affordable housing and permanent supportive housing are eligible uses to respond to the impacts of the pandemic on households and communities.

Columbia Housing Authority (CHA) and its partner entity, the Park Avenue Housing Development Group, LP, plan to replace existing units with family site units. The existing units were constructed in 1964 and have exceeded their life cycle. The existing units have significant problems with collapsing sewer lines, foundation problems, and electrical issues. Additionally, there is a need for improved accessibility and energy efficiency. CHA's current plan includes the demolition of all 70 units and the construction of new, modern, and energy efficient housing. The proposed project will include 79 units consisting of 22 one bedroom units, 36 two bedroom units, 15 three bedroom units, and 4 four bedroom units. This project will comply with the HUD Broadband Rule.

On September 6, 2022, the City Council passed Resolution R132-22A expressing support for the replacement of downtown public housing units on Park Avenue and committing up to \$2,000,000 in ARPA funding for the Park Avenue Project. CHA will use these funds, in addition to other funding, including low income tax credits, for the project. The \$2,000,000 will be provided in the form of a forgivable loan and will commit CHA to keeping the housing units affordable for a period of twenty years. The terms are structured in accordance with the U.S. Department of the Treasury's Affordable Housing How-To Guide for Affordable Housing Production and Preservation.



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## Fiscal Impact

Short-Term Impact: \$2,000,000.

Long-Term Impact: None

## Strategic & Comprehensive Plan Impact

### [Strategic Plan Impacts:](#)

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

### [Comprehensive Plan Impacts:](#)

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Land Use & Growth Management, Tertiary Impact: Inter-Governmental Cooperation

## Legislative History

Date	Action
09/06/2022	R132-22A Council passed a resolution expressing support for the replacement of downtown public housing units on Park Avenue and CHA's associated application for low-income housing tax credits. The resolution also declared the Council's intent to support funding for CHA's project with up to \$2,000,000 in American Rescue Plan Act funding.

## Suggested Council Action

Approve the ordinance authorizing the city manager to execute the necessary agreements, and authorizing the appropriation of \$2,000,000 in ARPA funds for CHA and Park Avenue Housing Development Group's Park Avenue affordable housing project.