



# Housing Authority of the City of Columbia, Missouri

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

From: Phil Steinhaus, CEO 

Date: July 8, 2016

RE: Request for a City Council Resolution Supporting the Columbia Housing Authority’s Application to the Missouri Housing Development Commission for 9% Low-Income Housing Tax Credits for the Major Renovation of 70 Downtown Public Housing Units Referred to as the Bryant Walkway Apartments.

The Columbia Housing Authority is resubmitting an application for 9% Low-Income Housing Tax Credits (LIHTC) to the Missouri Housing Development Commission (MHDC) to complete the fourth phase of our plan to renovate the CHA’s 719 public housing units located in Columbia. This project will complete major renovations to the Bryant Walkway Apartments, which consist of 70 townhomes providing housing to low-income families. Our Bryant Walkway Apartments application was rated very high by the MHDC but did not receive funding in the 2015 & 2016 rounds of allocations.

The City Council adopted resolutions supporting these applications at that time.

### Requested City Council Action

I am requesting a resolution of support from the City Council for this application and authorization for Mayor Treece and First Ward City Councilperson Ruffin to offer letters of support for this project. The MHDC gives serious consideration to the demonstration of community support for LIHTC applications. The Columbia City Council must also provide its support if this project is to be funded. This LIHTC funding will enable us to complete the next phase of our strategic plan to renovate all 719 units of public housing stock in the City of Columbia.

On November 17<sup>th</sup>, 2014 the Columbia City Council adopted Resolution 217-14 “*authorizing support of the Columbia Housing Authority’s Affordable Housing Initiative and the prioritization of tax credits towards renovation of public housing in the central Columbia area.*” This resolution was important in establishing the Columbia City Council’s priorities for LIHTC funding in Columbia. A resolution supporting the CHA’s LIHTC application for the renovation of the Bryant Walkway Apartments will reinforce the City Council’s priority for renovating and preserving public housing in Columbia.

### Missouri Housing Development Commission Low-Income Housing Tax Credit Application

The Columbia Housing Authority, with the assistance of the ND Consulting Group, is planning to submit an application to the Missouri Housing Development Commission (MHDC) for Federal and State 9% Low-Income Housing Tax Credits. Proposed sources of funding include:

- Federal 9% Low-Income Housing Tax Credits .....\$635,000
- State 9% Low-Income Housing Tax Credits .....\$635,000
- CHA Capital Funds .....\$365,000

The Low-Income Housing Tax Credits will provide 9,500,000 of outside equity to our community to support these renovation projects. These funds in turn will support the major renovation of 70 Downtown Public Housing Units at an estimated cost of \$157,142 per unit. The total development cost to complete all renovations is estimated to be \$11,000,000.

It is worth noting that the CHA is investing capital funds that it has reserved for this project. Most private developers do not invest their own funds in their projects.

The affordable housing application for low-income tax credits is due to the Missouri Housing Development Commission on or before September 6, 2016. Notification of awards is anticipated to be announced by MHDC by December 2016. If this project is selected for an award, renovations could begin in six (6) to nine (9) months from the time of award, once the final submission process is complete.

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## **CHA Project Overview Bryant Walkway Apartments**

A map showing the location of the Bryant Walkway Apartments is attached.

### **Phase 1 – Stuart Parker with Paquin Tower Apartments (4% LIHTC) ..... Under Construction**

On June 20, 2014 the Missouri Housing Development Commission (MHDC) approved Low-Income Housing Tax Credit (LIHTC) funding for the first phase of the renovation project. The 84 Townhomes located on Lincoln, Unity, Worley, Oak, and Hicks Drives are currently being renovated with a completion date of July 2017. These 84 Townhomes are being gut-rehabbed to bring them up to modern standards and building codes. Renovations to the apartments in Paquin Tower are also being completed as part of this project.

### **Phase 2 – Bear Creek Apartments (4% LIHTC)..... Under Construction**

On December 5, 2014, the MHDC approved 4% LIHTC funding for our Bear Creek Apartments which consist of 76 townhomes providing affordable housing to low-income families living on Elleta Boulevard. The renovation process began in June 2016 and will be complete in July 2017.

### **Phase 3 – Oak Towers (4% LIHTC) ..... Construction to start in Fall 2016**

On December 4, 2015, the MHDC approved 4% LIHTC funding to renovate Oak Towers. Constructed in 1967, the renovation of Oak Towers represents the 3rd phase of the CHA’s plan to modernize its Public Housing properties and make these apartments more livable, accessible, and energy efficient. Major renovations to Oak Towers are needed to install an energy-efficient geothermal HVAC system that will replace the aging hot water heating system and window air conditioners. Other improvements include creating ADA accessible units; installing new energy-efficient windows; replacing aging appliances, cabinetry, and doors; and replacing flooring and ceiling tile.

### **Phase 4 – Bryant Walkway (9% LIHTC)**

Constructed in 1963, the renovation of the Bryant Walkway Apartments represents the 4th phase of the CHA’s plan to modernize its Public Housing properties and make these apartments more livable, accessible, and energy efficient. Major renovations to these apartments are needed to replace the deteriorating plumbing systems and floating slab flooring, bring electrical systems up to modern standards, insulate the apartments and increase energy efficiency, improve interior design and functionality, and create a healthier living environment with adequate ventilation in the kitchen and bathroom areas. This work will also preserve this very important affordable housing stock that serves very low income families in the heart of our community.

***Due to the extensive renovations that are required, this project can only be completed using 9% LIHTC funding. The 9% low-income housing tax credits provide a larger amount of equity for affordable housing projects than the 4% LIHTC. This results in significant competition state-wide for 9% LIHTC funding and the need for communities to show strong support for their proposed 9% LIHTC projects.***

## **Phases 5 & 6 – Providence Walkway and East Park Avenue Apartments**

If our Bryant Walkway Apartments application is funded, applications for 9% Low-Income Housing Tax Credits to complete our final fifth and sixth phases will be submitted in September 2017 and September 2018. If funded, renovations are projected to be completed in 2019 and 2020 respectively. These two phases will complete the last 140 public housing units located near downtown Columbia: The Providence Walkway Apartments (70 units) and the East Park Avenue Apartments (70 units).

## **Strategic Planning Process for Renovating and Preserving Public Housing**

In May 2012, the CHA launched its Affordable Housing Initiative with a strategic planning process focusing on the development of additional affordable housing options in our community and the renovation and preservation of the CHA's aging Public Housing units.

Of key interest was the major renovation of the 294 Public Housing units located in the heart of Columbia. These downtown family site units were constructed between 1956 and 1962 during Columbia's urban renewal initiative.

CHA currently owns and operates 719 units of Public Housing divided into four properties:

- 1. Downtown Family Site Townhomes**  
294 family units composed of 1, 2, 3, & 4 bedroom townhouses in heart of Columbia.
- 2. Bear Creek Family Site Townhomes**  
78 family units composed of 1, 2, 3, & 4 bedroom townhouses on Elleta Boulevard.
- 3. Oak Towers**  
147 high-rise units composed of 0 & 1 bedroom apartments designated for the elderly.
- 4. Paquin Tower**  
200 high-rise units composed of 0 & 1 bedroom apartments designated for persons with disabilities and the elderly.

### **Downtown Family Site Townhomes – Physical Conditions Assessment**

As part of the strategic planning process, a physical conditions assessment was completed and the assessment determined that it would be more cost effective to make major renovations to these units rather than demolish and build new units.

The physical needs assessment identified that the external structures of the townhomes were essentially sound and that the buildings could be renovated in order to bring them to modern housing standards and building codes.

Key issues identified for renovation include:

- Aging plumbing system of cast iron pipes that require significant maintenance;
- Uneven and settling "floating slab" floors that require period "poly-jacking";
- Inadequate electrical systems to meet modern family needs;
- Many units lack dryer hook-ups. Washer hook-ups are located in the kitchen and other exposed areas;
- Furnaces and water heaters located in exposed areas;
- Poor egress from second story apartments;
- Poor design and use of living space;
- Lack of storage;
- Lack of ventilation in the kitchen and bathroom areas;
- Poor or non-existent insulation and low energy efficiency; and
- Lack of accessibility for persons with disabilities.

The major renovation of the CHA's Downtown Family Site will be divided into four phases:

**Phase 1** ..... 84 Townhomes located on Lincoln, Unity, Worley, Oak, and Hicks Drives.

**Phase 2** ..... 70 Townhomes located in the Bryant and Allen Walkway neighborhoods.

**Phase 3** ..... 70 Townhomes located in the Providence Walkway, Trinity, & LaSalle neighborhoods.

**Phase 4** ..... 70 Townhomes located on East Park Avenue. (East of Providence Road)

### **Rental Assistance Demonstration Program**

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 apply for Low-Income Housing Tax Credits and other sources of financing to fund public housing renovations.

The CHA was approved to participate in the RAD Program in August 2013. The RAD approval will allow the CHA to make necessary capital improvements to all 719 CHA Public Housing properties. RAD approval allows the CHA to lock in current public housing funding levels and convert them to a long-term Project-Based Voucher subsidy contract. The RAD Program also allows the CHA to combine or "bundle" various configurations of Public Housing units in order to get the best combination of units for a successful Low-Income Housing Tax Credit application.

Finally, 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. The majority of these families have incomes at or below 30% 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.

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.

### **Requested City Council Action**

The Columbia Housing Authority would like to request that the Columbia City Council adopt a resolution demonstrating its strong support this fourth phase in the major renovation and preservation of the City of Columbia's Public Housing stock and authorize Mayor Treece and First Ward City Councilperson Ruffin to offer letters of support for this project.

It is highly recommended that support letters from elected city officials be included with our application to the MHDC for low-income housing tax credits. Support from the Mayor and the City Councilperson presiding over the encompassing ward are most important. Letters of support from other members of the City Council members would also be most welcome and strengthen our application. It is worth noting that there will be over 130 applicants and only 30 will get funded. Strong local support is critical to the success of our application.

# CHA Public Housing Properties in Central Columbia

Stuart Parker Apartments  
84 Units

Bryant Walkway Apartments  
70 Units

Oak Towers  
147 Units

Providence Walkway Apartments  
70 Units

East Park Avenue Apartments  
70 Units



Bear Creek Apartments & Paquin Tower not shown on this map.