



Housing Authority of the City of Columbia, Missouri

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Phil Steinhaus, CEO

To: Mayor Brian Treece, Members of the Columbia City Council, & City Staff

From: CHA Board of Commissioners Phil Steinhaus, CEO

Date: March 1, 2021

RE: Discussion Items for the City Council Work Session on March 1, 2021
Exploring CHA & City Affordable Housing Partnership Opportunities

The CHA is the 1st Housing Authority in Missouri approved for the Rental Assistance Demonstration (RAD) Program. To date the Columbia Housing Authority has renovated 597 units of public housing and constructed 25 new units for homeless Veterans. Completed projects are as follows:

Project Name	Designation	# Units	Completion Date
Patriot Place Apartments	New Housing for Homeless Veterans	25	April 2016
Stuart Parker Apartments	Renovated Public Housing	84	September 2017
Paquin Tower Apartments	Renovated Public Housing	200	September 2017
Bear Creek Apartments	Renovated Public Housing	76	October 2017
Oak Towers Apartments	Renovated Public Housing	147	October 2018
Bryant Walkway II Apartments	Renovated Public Housing	36	December 2018
Bryant Walkway Apartments	Renovated Public Housing	54	September 2019
Total Completed Affordable Housing Projects to Date:		622	

Current Status

The CHA has 120 units of aging public housing units that need to be renovated or replaced. Three previous attempts to renovate and then replace public housing units in the Providence Walkway area did not receive funding from the Missouri Housing Development Commission (MHDC).

The MHDC Qualified Allocation Plan (QAP) for the allocation of 9% and 4% low-income housing tax credits (LIHTC) has changed over the past three years to focus on a more objective points system for awarding tax credits as opposed to the more subjective evaluation process previously employed by the MHDC.

MHDC Point System

The CHA's Kinney Point project missed the funding threshold for tax credits by a mere 10 points. The CHA should have been awarded 10 additional points for serving underserved populations with incomes at or below 30% of the Median Family Income. The CHA was denied being awarded these points on the basis that the CHA had Project-Based Vouchers attached to its properties.

Currently 84% of the residents living in the Kinney Point project have incomes less than <30% MFI.

To score 10 points in the MHCD system, a developer only needs to target >12.5% of its units to residents with incomes less than <30% MFI. We believe the CHA should have been awarded 10 points on its LIHTC application.

Other MHDC Funding Concerns

- **Increasing the Total Development Cost (TDC) limit for One-Bedroom units.** Most developers do not build one-bedroom units because the MHDC Total Development Cost (TDC) is set below the actual development cost. There is a high demand for one-bedroom units in Columbia. In addition, the RAD program requires that the CHA renovate/replace units on a one-to-one basis, thereby putting the CHA at a disadvantage in keeping overall project costs under the MHDC Total Development Cost for the whole project.
- **Recognizing the Value of the RAD Program.** It would be advantageous to the CHA and other housing authorities in Missouri if the value of the RAD program were recognized and points awarded accordingly to developers that have a RAD component in their project.
- **Recognizing the City of Columbia's Priorities.** The city governments of St. Louis and Kansas City provide the MHDC with their funding priorities for LIHTC funding on an annual basis. The City of Columbia will need to make a more concerted effort to make its funding priorities known.

City Support for the CHA's Affordable Housing Initiative

- **City Support Leverages External Resources**
 - City financial support helps to leverage external resources.
 - Low-income housing tax credit funding.
 - Federal Home Loan Bank of Des Moines funding.
 - City infrastructure support helps to reduce project costs and makes the project more competitive for funding and more attractive to investors.
- **Use of the City Lobbyist to lobby members of the MHDC to promote support for:**
 - Awarding points for Income Targeting with Project-Based Vouchers.
 - Increasing the Total Development Cost Limit for One-Bedroom Units.
 - Awarding points for Projects with a RAD Component.
 - Giving strong consideration to the city of Columbia's affordable housing priorities.
- **MHDC Commissioners**

• Mike Parson - Governor	• Rick McDowell - Commissioner
• Mike Kehoe - Lt. Governor	• Garrick Hamilton - Commissioner
• Scott Fitzpatrick - State Treasurer	• Tracey S.C. Lewis - Commissioner
• Eric Schmitt - Attorney General	• Danny P. Chadakhtzian - Commissioner
• Mark Elliff - Commissioner	• Stephen J. Parshall - Commissioner

- **Create a budget line-item for CHA Affordable Housing Projects.** In a number of cities and counties housing authorities are a department of that entity. While the CHA is a separate municipal corporation, it was founded by the city of Columbia for the purpose of developing affordable housing. We would ask that the city budget include a line-item for the CHA's affordable housing projects. A small investment at first could be grown into a significant investment in affordable housing.
- **Consider reducing or eliminating development fees for affordable housing projects.** City development fees also add to the cost of affordable housing development. Reducing or eliminating these fees could be an incentive for affordable housing development.
- **Assist with lining the sewer main running through Providence Walkway.** Lining the sewer main running through Providence Walkway would assist the CHA in avoiding costly repairs or replacement of the current sewer main.
- **Assistance with storm water management issues in the Providence Walkway and Park Ave. development areas.** Storm water management has added a significant cost to the renovation and/or redevelopment of the CHA's Public Housing properties. A city investment in storm water management in the Flat Branch watershed area that includes the CHA's Public Housing properties would be a good community investment for all concerned and would assist the CHA in keeping its development costs and requests for LIHTC funding in a competitive range with other competing LIHTC developments.
- **Recognize that variances need to be made for affordable housing in current zoning & building codes. (Parking, Density, Setbacks, Lot Lines, Storm Water, etc.)** There have been several recent instances where current zoning and building codes have driven up the development costs for the CHA in excess of what is a reasonable expectation for affordable housing development. Examples are parking requirements, setbacks, lot lines, density, and storm water management. Recognizing that variances are necessary to control development costs for affordable housing should be considered.