

HOME Program Funding; WHA-RAD

*Housing and Community
Services Department*



January 21, 2020



WHA-RAD Project

2

- Rental Assistance Demonstration (RAD) allows Public Housing Agencies (PHA's) to convert units from the Public Housing Program to project-based Section 8 contracts.
- PHA properties converted to RAD are no longer restricted from securing private sources of capital financing in order to renovate public housing units.
- The Wichita Housing Authority (WHA) Board approved applications for RAD on February 21, 2017.

WHA-RAD Project

3

- Conversion to RAD provides WHA with the ability to secure private and public sources of capital financing for the renovation of public housing properties, including:
 - Low-Income Housing Tax Credit (LIHTC) financing
 - Community Development Block Grant (CDBG) funding
 - HOME Investment Partnerships Program (HOME Program) funding

WHA-RAD Project Financing

4

- The WHA has received financing commitments for the RAD AMP 1 LLC Senior Apartments Project, in the amount of \$28,826,408.

WHA-RAD Project Financing

5

AMP 1 LLC Senior Apartments Project Financing Sources

Low-Income Housing Tax Credit (LIHTC)

Housing Trust Fund (State of Kansas)

Private Debt Financing/Tax Exempt Bonds

WHA Deferred Developer Fees

City of Wichita CDBG and Section 108 Loan Repayments
(Approved by City Council December 18, 2018)

WHA-RAD Project Financing

6

- The total project cost for the RAD AMP 1 LLC Senior Apartments project is estimated to be \$29,940,358.
- A total of \$1,113,950 in additional funding is required to close the financing gap.

HOME Program

7

- HOME Investment Partnerships Program (HOME Program)
 - Utilized to finance decent, affordable housing for lower-income households
 - Strengthens the ability of state and local governments to provide housing
 - Leverages private sector participation in the development of affordable housing
 - 2019-2020 grant amount: \$1,387,235

HOME Funding for RAD

8

- Rehabilitation of affordable housing is an eligible use of HOME Program funding.
- Housing and Community Services staff proposes to commit \$1,113,950 in City HOME Program funding for the RAD AMP 1 LLC Senior Apartments project.

HOME Funding for RAD

9

- Re-program and commit \$301,516 of 2018-2019 program year HOME funding
- Commit \$406,217 in expected HOME Program funding from each of the 2020-2021 and 2021-2022 program years

HOME Funding for RAD

10

- HOME Program funding will be provided in the form of an interest-bearing loan, payable from residual receipts
- Funding agreement to be prepared by staff and placed on the City Council agenda for approval on a future date

Recommendation

11

Approve issuance of a conditional commitment letter for HOME Investment Partnerships Program financing in the amount of \$1,113,950 for the Wichita Housing Authority's Rental Assistance Demonstration Project and authorize the necessary signatures.

HOME Program Funding; WHA-RAD

*Housing and Community
Services Department*

