

# HOME Program Funding for CPRF; The Timbers Preservation Project



Housing & Community  
Services/Community  
Investments Division

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# Background



- On May 4, 2021, the City Council approved final allocations from the 2021-2022 Annual Action Plan, which included \$662,452 In HOME Investment Partnerships Program (HOME) funding for the Housing Development Loan Program (HDLP).
- The HDLP is designed to provide subsidies for infill housing projects to support the development of real estate that is idle or underutilized, and to provide needed housing for underserved populations.



# Background



- HDLP funding is available for non-profit or for-profit organizations. Loan structure is dependent upon the type of project to be financed.
- Funding requests are received on an open application basis. On December 20, 2021, Housing and Community Services opened applications for HDLP funding, for rental and homeownership projects.



# Background



- Representatives of the Cerebral Palsy Research Foundation, Inc., (CPRF) approached Housing and Community Services Staff to discuss the possibility of HOME funding for a project involving revitalization of the Timbers Apartment community, located at 2021 N. Old Manor Road.
- The Timbers is a 100-unit wheelchair accessible apartment community for individuals with physical disabilities.



# Background



- The Timbers Apartment community was constructed in 1979 with funding provided by the U.S. Department of Housing and Urban Development (HUD) and was the first apartment community of its kind in the nation.
- Tenants residing at the complex receive monthly rental assistance under a contract with HUD.



# Analysis



- The buildings comprising the Timbers Apartment community are aging, showing signs deterioration, and do not meet current standards for accessibility.
- Following completion of a needs assessment, CPRF staff determined that demolition and replacement of the existing apartment buildings would be the most cost-effective approach to addressing overall improvement of the apartment units, as well as improvements related to accessibility and energy efficiency.



# Analysis



- This proposed phase of the project will involve demolition of three six-unit buildings, to be replaced with three newly constructed six-unit buildings, for a total of 18 one-bedroom housing units, each approximately 790 square feet in size, on the existing campus.
- CPRF has requested a total of \$190,000 in HOME/HDLP financing for this proposed phase of its revitalization of the Timbers Apartment complex.



# Analysis



- The project is consistent with the City's Comprehensive Housing Policy, specifically, the Availability component, as it relates to persons with disabilities, and the Affordability component.
- Persons with disabilities are considered to be a special needs population because of the strong likelihood that their housing needs include accessibility features.
- A large majority of persons with disabilities are low-income and often rely solely on Social Security payments for income.



# Analysis



- The project is also consistent with the City's Consolidated Plan, as it will address the top priority need, Safe Affordable Housing, which includes the Persons with Physical Disabilities and the Persons with Developmental Disabilities populations.
- Housing and Community Services staff recommends approval of the funding request and proposes issuance of a conditional commitment letter subject to securing of all necessary financing and final underwriting.



# Financial Considerations



- There is no impact to the General Fund.
- The total project cost is estimated to be \$4,182,900. Other sources of financing include loans to be provided by Intrust Bank in the total amount of \$560,000; a Housing Trust Fund loan from the Kansas Housing Resources Corporation in the amount of \$525,000; and proceeds from the sale of Low-Income Housing Tax Credits in the approximate amount of \$2,907,900.
- The City's HOME funding is to be provided in the form of an interest-bearing loan at an interest rate of one percent.



# Legal Considerations



- A funding agreement will be drafted, approved as to form by the Law Department and will be placed on the City Council agenda for approval on a future date, provided CPRF is successful in obtaining other sources of financing.



# Recommendation



- It is recommended that the City Council approve issuance of a conditional commitment letter for HOME Investment Partnerships Program financing for the Timbers Preservation Project and authorize the Director of Housing and Community Services to sign.



