

Memorandum

TO: Diane Stoddard, Interim City Manager
Mayor and City Commissioners

FROM: Shannon Oury, Executive Director, Lawrence Douglas County
Housing Authority

Date: May 21, 2015

RE: LDCHA Acquisition of 1725 New Hampshire

Property Description

Address: 1725 New Hampshire, Lawrence, KS
Building Type: Multi-unit walkup
Units: 5 - One bedroom
1 - Studio
Purchase Cost: \$ 485,000
Minor Renovations: \$ 12,000 - \$ 18,000

Narrative

The Lawrence-Douglas County Housing Authority (LDCHA) is an agency of the City of Lawrence and Douglas County. Pursuant to County Resolution 00-26, City Resolution No 6240, "The LDCHA does not have the authority to acquire real estate. Additionally all real property owned by LDCHA must be titled to the City of Lawrence, Kansas". See attached Exhibit 1.

The LDCHA has the opportunity to acquire a 6 unit development located at 1725 New Hampshire St., "the Property". The Property is located adjacent to Babcock Place, a high rise elderly public housing development already owned by LDCHA. The Property has 5 one bedroom units and 1 studio unit. The location next to Dillon's and near other services would be highly beneficial for low income residents. There is also benefit to the LDCHA in the location of this Property for convenience in staffing for maintenance and storage. There is a detached building with five garages.

Minor Renovations: The physical inspection of the Property revealed electrical panel breakers with double taps present in each unit that require replacement. The Property also requires the installation of GFCI circuits in all unit bathrooms and kitchens.

A Phase I Environmental Site Assessment was prepared and submitted to the City staff. The City staff issued an Environmental Review of the project attached as Exhibit 2. If LDCHA makes any alterations that would involve hazardous materials identified by the

Phase I Assessment all work will be done in compliance with the mitigation requirement identified in the City's Environmental Review.

This Property will not receive subsidy from HUD or any other source. It will be managed with a sliding scale rent schedule based on the income of the tenant.

Draft 1725 New Hampshire Below Market Sliding Rent Schedule

	Monthly Rent
<u>Tier 1</u> Household of 1 with income at or below 30% Annual Area Median Income (AMI)	\$300
<u>Tier 2</u> Household of 1 with income between 31-34% AMI	\$350
<u>Tier 3</u> Household of 1 with income between 35-40% AMI	\$400
<u>Tier 4</u> Household of 1 with income between 41-50% AMI	\$450
<u>Tier 5</u> Household of 1 with income between 51-60% AMI	\$500
<u>Tier 6</u> Household of 1 or 2 with income between 61-80% AMI	\$600

Area Median Income (AMI) is established yearly by HUD for Lawrence and Douglas County, and the 1725 New Hampshire Sliding Rent Schedule will be applicable to the current AMI adopted by LDCHA at the time of certification or recertification of a participant.

There will be a 30-year deed restriction placed on the Property at closing, limiting occupancy to very low- and/or low-income households. Sale of the Property will be expressly subject to these Deed Restrictions, deeds of conveyance must have these Deed Restrictions appended thereto.

The purchase is contingent on approval by HUD and the City of Lawrence, Kansas. The LDCHA will apply for tax exempt status for this Property pursuant to KSA 75-201(a) *sixth*. The LDCHA will assume the current leases for the Property and work with tenants on certification according to the above outlined sliding scale.

The LDCHA is engaging in conversations with KVC Health Systems and Department for Children and Families to look at developing a program that would provide a preference for youth aging out of foster care to be offered housing at this property when units become available.

On February 23, 2015, the Board authorized the use of MTW funds from the agency's reserves and current year funding to make the acquisition and for associated renovations, closing costs, and approved the establishment of an initial \$200 per-unit reserve.

Property Management: The LDCHA will manage the Property and will charge only actual cost of administration and maintenance to the Property.

Request: The LDCHA requests that the City Commission authorize the LDHCA to purchase the Property and permit the Executive Director of the LDCHA to execute all documents required to complete this transaction.

COUNTY RESOLUTION NO. 00-26
CITY RESOLUTION NO. 6240

A Joint Resolution Establishing the Lawrence-Douglas County Housing Authority; Repealing City Resolution 3524 and the City-County Joint Cooperative Agreement.

WHEREAS, in 1968 the City of Lawrence created the Lawrence Housing Authority as an independent agent of the city with the power to plan, construct, maintain, operate and manage any low rent project or projects of the City of Lawrence; and

WHEREAS, in 1983 the Board of County Commissioners of Douglas County, Kansas entered into a Cooperative Agreement with the City Commission of Lawrence, Kansas designating the Lawrence Housing Authority as the Administrative Agent of the Board of Commissioners of Douglas County for the purposes of making application to the United States Government for Section 8 Housing Assistance, and for carrying out all necessary functions of administration, technical assistance, planning, and all other functions necessary for the successful operation of housing projects, and performance of service of providing better housing conditions to low-income families; and

WHEREAS, in December 1999 the Lawrence City Commission and Board of Douglas County Commissioners notified The United States Department of Housing and Urban Development that it desired to merge the Lawrence Housing Authority and the Douglas County Housing Authority, which was the administrative entity of the Lawrence Housing Authority created under the 1983 Cooperative Agreement, and

WHEREAS, in June 2000, The United States Department of Housing and Urban Development approved the merger request;

NOW, THEREFORE, BE IT JOINTLY RESOLVED by the governing body of the City of Lawrence, Kansas and the Board of County Commissioners of Douglas County, Kansas:

SECTION I. There is hereby created as an agency of the City of Lawrence, Kansas, and the County of Douglas County, Kansas, an authority known and designated as the "Lawrence-Douglas County Housing Authority" (herein called the "Authority".) The Authority shall be successor entity to the Lawrence Housing Authority. On and after the effective date of this Resolution, all assets, property or other items of value titled to the

Lawrence Housing Authority shall be titled to the Lawrence-Douglas County Housing Authority.

SECTION II. The Authority is hereby delegated (a) the power to plan, construct, maintain, operate and manage low-rent housing development or developments of the City of Lawrence, Kansas, and Douglas County, Kansas; (b) enter into contracts with an agencies of the federal, state or local government for funds to plan, develop, support, construct, acquire, or provide housing and housing developments for the low-income; (c) all other powers conferred on the City of Lawrence, and County of Douglas County, Kansas, by the Kansas Municipal Housing Act (K.S.A. 17-2337 et seq.) except those powers to incur debt, borrow money, issue bonds (as defined in the Municipal Housing Law) and acquire or dispose of real property.

SECTION III. The Authority is hereby authorized to enter into public-private partnerships and joint ventures, including the creation of a private not-for-profit organization, as may be necessary to secure funds and contracts to plan, develop, construct, acquire maintain, operate, and manage affordable housing developments for the low-income. All real property owned by the Authority or any not-for-profit organization under authority of this resolution shall be titled to the City of Lawrence, Kansas.

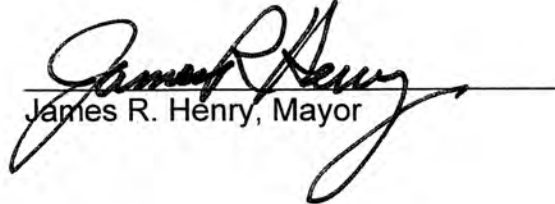
SECTION IV. The Authority is hereby authorized to enter into cooperative agreements with the other incorporated jurisdictions of Douglas County to carry out affordable housing plans and developments for the low income in those jurisdictions.

SECTION V. The Authority is hereby authorized to employ an executive director, technical experts and such other officers, agents and employees, permanent and temporary, as the authority may require, and to delegate to one or more of them such powers or duties as the Authority may deem proper.

SECTION VI. The governing body of the Authority shall be the Board of Housing Commissioners, hereafter referred to as "The Board"; established pursuant to the Municipal Housing Act consisting of five members appointed in conformance with the Municipal Housing Act. Three members shall be appointed by the Mayor, with the consent of the Lawrence City Commission. Two members shall be appointed by the Board of County by Commissioners of Douglas County. Representation on the Board of Commissioners shall conform to applicable federal and state laws.

SECTION VII. Resolution No. 3524 is hereby repealed. The 1983 City/County cooperative agreements is hereby repealed. This Resolution shall take effect January 1, 2001.


ADOPTED by the governing body of the City of Lawrence, Kansas this 7th day of November, 2000.


James R. Henry, Mayor

ATTEST:


Raymond J. Hummert

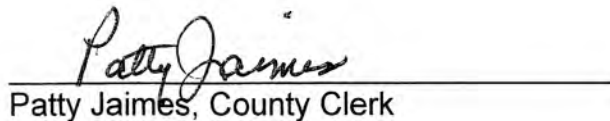
ADOPTED by the Board of Commissioners of Douglas County, Kansas this 30th day of October, 2000.


Tom Taul, Chair


Dean Nieder, Commissioner

ATTEST:


Charles Jones, Commissioner


Patty Jaimes, County Clerk



City of Lawrence
PLANNING & DEVELOPMENT SERVICES

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Lawrence, KS 66044

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Phone 785-832-7700
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ENVIRONMENTAL REVIEW RECORD:
DETERMINATION OF LEVEL OF REVIEW

Project Name: 1725 New Hampshire St. Acquisition and Rehabilitation.

Project Number (IDIS) _____ **HUD Program:** LDCHA **Program Year:** 2015 Capital Funds

Project Location: 1725 New Hampshire St.

Project Description: The purchase and rehabilitation of a 6 unit apartment building adjacent to Babcock Place.

The subject project has been reviewed pursuant to HUD regulations 24 CFR Part 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities", and the following determination with respect to the project is made:

- Categorically Excluded Subject** to §58.5 authorities per 24 CFR 58.35(a)(3)(ii)(A-C)

"In the case of multifamily residential buildings:

A. Unit density is not changed more than 20 percent;

*B. The project does not involve changes in land use from residential to non-residential;
and*

C. The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation."

The ERR (see §58.38) must contain all the environmental review documents, public notices and written determinations or environmental findings required by Part 58 as evidence of review, decision making and actions pertaining to a particular project. Include additional information including checklists, studies, analyses and documentation as appropriate.

Prepared by: Tony L Hoch

Tony L. Hoch, Sr. Projects Specialist

5/4/2015

Date





STATUTORY CHECKLIST

Use this worksheet for projects that are Categorically Excluded under 24 CFR §58.35(a).

PROJECT NAME: 1725 New Hampshire St. Acquisition and Minor Rehabilitation.

ERR FILE # LDCHA 1725NH

An "ERR Determination" form should be provided as a cover to this checklist.

This checklist is a component of the Environmental Review Record (ERR) [§58.38]. Supplement the ERR, as appropriate, with photographs, site plans, maps, narrative and other information that describe the project.

24 CFR §58.5 – NEPA-Related Federal Statutes and Authorities

DIRECTIONS – For each authority, check one of the appropriate boxes under "Status."

"A box" The project is in compliance, either because: (1) the nature of the project does not implicate the authority under consideration, or (2) supporting information documents that project compliance has been achieved. In either case, information must be provided as to WHY the authority is not implicated, or HOW compliance is met; OR

"B box" The project requires an additional compliance step or action, including but not limited to consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measure, or obtaining of license or permit.

IMPORTANT: Compliance documentation consists of verifiable source documents and/or relevant base data. Appropriate documentation must be provided for each law or authority. Documents may be incorporated by reference into the ERR provided that each source document is identified and available for inspection by interested parties. Proprietary material and studies that are not otherwise generally available for public review shall be included in the ERR. Refer to HUD guidance for more information.

Statute, Authority, Executive Order, Regulation or Policy cited at 24 CFR §58.5	STATUS		Compliance Documentation
	A	B	
1. Air Quality [Clean Air Act sections 176(c) & (d), and 40 CFR 6, 51, 93]	X		This activity does not rise to the level of "major rehabilitation" or any of the other applicable activities. The "Threshold for Action" is a location in a NAAQS non-attainment area. There are No "non-attainment and maintenance areas" for the 6 criteria pollutants listed on the EPA web site for the County of Douglas in the State of Kansas: See Attached, documented from www.epa.gov/oar/oaqps/greenbk/index.html *Asbestos hazards will be evaluated as part of a Phase I environmental site assessment. If hazards are identified, remediation steps will be included as part of the scope of work for rehabilitation.
2. Airport Hazards (Clear Zones and Accident Potential Zones) [24 CFR 51D]	X		This activity does not rise to the level of "substantial rehabilitation" or any of the other applicable activities. Due to the location of the Lawrence Municipal airport, there are no housing units located within the civil airport runway clear zone. See Appendix 2 documented from http://www.lawrenceks.org/airport/

3. Coastal Zone Management [Coastal Zone Management Act sections 307(c) & (d)]	X	No coastal zone management programs exist in the states of HUD Region VII, as established by Nat'l Oceanic & Atmospheric Administration, Office of Ocean and Coastal Resource Manag't (http://coastalmanagement.noaa.gov/mystate/welcome.html)
4. Contamination and Toxic Substances [24 CFR 58.5(i)(2)]	X	<p>Site will have a Phase 1 environmental site Assessment completed. Report will be evaluated and all necessary remediation will be included in the scope of work for rehabilitation activities.</p> <p>A lead based paint inspection and risk assessment will be completed on the building. Interim controls will be required if hazards are found and Clearance will be required.</p> <p>Radon testing will be conducted in living areas of both first floor units. When radon levels reach 4 picocuries/liter or higher, remediation will be included in the scope of work specifications.</p>
5. Endangered Species [50 CFR 402]	X	<p>This activity does not rise to the level of "major rehabilitation" or any of the other applicable activities. These projects are Not likely to affect, or won't affect, any Federally listed endangered or threatened species or habitat</p> <p>Current Species listed for Douglas Co. KS are:</p> <p>one fish, the Pallid Sturgeon,</p> <p>and two plants, the Meade's milkweed and Western prairie fringed Orchid. This information found at:</p> <p>http://ecos.fws.gov/tess_public/servlet</p>
6. Environmental Justice [Executive Order 12898]	X	<p>This project currently exists and will continue to be operated as it always has. No existing tenants will be displaced. Six small housing units will not have an adverse health or environmental effect which disproportionately impacts a minority or low-income population relative to the community at large and all the Environmental Justice (EJ) issues were considered while evaluating other aspects of this Environmental Review.</p>
7. Explosive and Flammable Operations [24 CFR 51C]	X	<p>This activity is not "rehabilitation, where unit density is increased", "conversion of land use from non-residential to residential", "new construction", a "vacant building made habitable", or "a project for industrial, commercial, institutional, or recreational use where people may congregate or be present."</p>
8. Farmland Protection [7 CFR 658]	X	<p>This activity is not an applicable activity and is exempt by definition. "Urban land" is exempt if the land is already in or committed to urban development per 7 CFR 685.2(a).</p>
9. Floodplain Management [24 CFR 55, Executive Order 11988]	X	<p>The site is not located within a Special Flood Hazard Area. Firm Plate Number <u>20045C0178D</u> and FIRM map is attached</p>
10. Historic Preservation [36 CFR 800]	X	<p>This site is within an Area of Potential effect of the <u>Edward House @ 1646 Massachusetts St and Eugene F. Goodrich House @ 1711 Massachusetts St</u>. The Lawrence Douglas County Planning Department has been consulted and their letter is attached. The Kansas Historic Society has been consulted regarding this project and their letter is attached. The Tribal consultation checklist "When to consult with Tribes under Section 106", was completed and this department determined that none of the activities listed would apply to this site.</p>

11. Noise Control [24 CFR 51B]	X	This is an <u>Acquisition of residential property</u> activity. When rehabilitation occurs <u>attenuation is encouraged</u> . The site is not within the threshold distances of "within" 1000' of a major roadway and 3,000' of a Railroad. The Lawrence airport is small and limits aircraft to small jets or propeller craft, so airport noise levels are not an issue. See attached distance map.
12. Water Quality (Sole Source Aquifers) [40 CFR 149]	X	This activity is not an applicable activity of acquisition of undeveloped land, change of land use or new construction, and there are no designated Sole Source Aquifers in Region VII. http://www.epa.gov/ogwdw/swp/sumssa.html
13. Wetland Protection [24 CFR 55, Executive Order 11990]	X	This activity is not an applicable activity of acquisition of undeveloped land, change of land use, new construction or expansion of bldg. footprint. This activity is not applicable to the Executive Order. This activity as described will have no potential to affect and will not have an adverse impact to wetlands.
14. Wild and Scenic Rivers [36 CFR 297]	X	There are no Wild and Scenic Rivers in Kansas. The Kansas River is listed on the National River Inventory. This activity is not a "Water Resource Project".

DETERMINATION:

- Box "A" has been checked for all authorities.** The project can convert to Exempt, per §58.34(a)(12), since the project does not require any compliance measure (e.g., consultation, mitigation, permit or approval) with respect to any law or authority cited at §58.5. The project is now made Exempt and **funds may be drawn down**; OR
- Box "B" has been checked for one or more authority.** The project cannot convert to Exempt since one or more authority requires compliance, including but not limited to consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measure, or obtaining of license or permit. Complete pertinent compliance requirement(s), publish NOI/RROF, request release of funds (HUD-7105.15), and obtain HUD's Authority to Use Grant Funds (HUD-7015.16) per §§ 58.70 & 58.71 **before committing funds**; OR
- The unusual circumstances of this project may result in a significant environmental impact. The project requires preparation of an Environmental Assessment (EA). Prepare the EA according to 24 CFR Part 58 Subpart E.

Part 58.6 Requirements [24 CFR §58.6]

Complete the following table for all projects.

§58.6 Requirements	Status (Y/N)	Source Documentation
Flood Disaster Protection Act [Flood Insurance] [§58.6(a)]	YES	Project is not located in a Special Flood Hazard Area. Project file will document the FEMA-Map number and a copy of the Firmette with location marked, will document the file <i>see 9 + last page</i>
Coastal Barrier Resources Act/Coastal Barrier Improvement Act [§58.6(c)]	YES	No Coastal Barrier Resource Areas in MO/KS/NE/IA. http://coastalmanagement.noaa.gov/mystate/welcome.html <i>See 3</i>

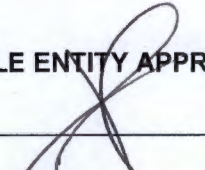
Airport Runway Clear Zone Disclosure & Notification [§58.6(d)]	YES	This site is not located near or within a runway clear zone. See attached. <i>see 2</i>
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PREPARER:

SIGNATURE: Tony Hoch DATE: 3/11/2015

PREPARER NAME & TITLE: TONY L HOCH – SR. PROJECTS SPECIALIST

RESPONSIBLE ENTITY APPROVING OFFICIAL:

SIGNATURE:  DATE: 5/12/15

APPROVING OFFICIAL NAME & TITLE: Jeremy Farmer- Mayor

Compliance and Mitigation Requirements:

1. Air Quality
 - 1.1. Asbestos abatement;
 - 1.1.1. Asbestos screen revealed that ACM >1% was found in the floor tiles and drywall mud.
 - 1.2. Work write up has included the removal and replacement of loose floor tiles. Confirmed and suspect asbestos-containing materials should be properly removed by qualified asbestos abatement professionals or managed in-place in good condition under an Asbestos Operations & Maintenance Program. Project file will be documented with compliance report.

4. Contamination and Toxic Substances; Phase I environmental assessment
 - 4.1.
 - 4.1.1.
 - 4.2. Lead Based Paint
 - 4.2.1. Inspection found lead based surface coating in bathroom wall tiles, interior window casings in laundry & mechanical rooms and on exterior door casings and metal front porch railings. Bathroom tiles were not identified as a hazard.
 - 4.2.2. Paint hazards are addressed in work write-up as repair loose and peeling paint. Lead-based paint and lead hazards will be properly addressed, either through removal by qualified lead abatement professionals, or by using Interim Controls and managing remaining lead-based paint in place under a Lead Operations & Maintenance Program. Project file will be documented with compliance report

 - 4.3. Radon
 - 4.3.1. Results of testing were well below the action level of 4.0. No further mitigation is required. See attached testing report.