



Housing Authority

of the City of Clay Center
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Executive Director's Report **March 5, 2019**

OCCUPANCY We are finally down to 10 vacancies. We just lost another tenant in Parkview in February to the nursing home and have another Parkview tenant who is moving in March but have applicants to fill the vacancies. The good news is we no longer have to relocate any tenants to Apollo Towers for the renovation project.

HOPE HOUSE

Bob Stratton contacted me in February and I met with his Hope House Board Members onsite to take a look at Tolin Terrace and discussed the feasibility of partnering with their organization to provide affordable housing for their operations. After some discussion, we eliminated the idea of Tolin Terrace and are now going to consider the east wing of one of our floors in Apollo Towers. This is nothing more than discussion and brainstorming at this time. I told them I would mention to my Board of Directors to see if you would support such a partnership. I will also need to discuss with Atchison Housing Authority. However, the Hope House is a promising way to help individuals and families in our community struggling with poverty, substance abuse, etc. They are running into financial challenges in trying to provide a larger facility and we have occupancy challenges. Our occupancy dropped from 96% in 2017 to 92.2% in 2018. Our current occupancy is 91.7%. This project could potentially result in a firm 3.3% occupancy rate (plug it in to 2017 (99%), 2018 (95.5%), current (95.0%) and monthly revenue (currently \$2,420 monthly/\$29,040 annually). It also fits within our mission statement, *"it shall be the mission of the Housing Authority of the City of Clay Center to advocate for and develop, manage and maintain properties and programs that provide safe, sanitary, affordable housing to qualified, very low, low, and moderate income residents in Clay Center, Kansas."* I told Bob and the board that I would not have any time to devote to looking into this until after May 1st. I look to our Board of Directors for guidance on whether we should pursue this partnership.

COLLECTIONS

To date, we have received Notice of Intent to Levy from Kansas Department of Revenue for 5 delinquent former tenants and received \$783.27 reflected on Apollo Towers financial statement for February, 2019.

PARKVIEW REDEVELOPMENT

The closing process seems to be moving well. The City Council approved the eventual land lease and KHRC and we have already addressed all red lines on the land lease and deed with the City, KHRC, and FHLBank Topeka. Jim Hill is currently working on Hunt Capital's red lines on the land lease and moving the body of the lease into Hunt's requested template. Morree Floresch is working closely with her subcontractors, Randy Porter (Architect), Michael Bowen, and myself to produce a final cost and scope of work in the next 2 weeks. Mike Swaim and I have been working with some of the subcontractors and are making some changes to the scope of work. We are also working on some issues like asbestos in the bathroom flooring that raise the cost and complicate the workflow. It does seem to be moving smoothly and there is good communication with all parties. We are hoping to begin construction the middle of April. The final process will be the middle of March when we negotiate contracts with Oetinger-Lloyd Construction and James Threatt has been working diligently balancing the demands of the investors with my concerns. I just met with Oetinger-Lloyd and Wallace Architects this morning for 2.5 hours in our new office meeting room with Mike Swaim. Morree will be giving me her first numbers on Friday and hope to be ready for a contract by March 15th. So far, the most challenging part of the process is having enough time to get everything else done as every day seems to have interruptions to work on new issues. I've been through it before.

APOLLO ELEVATOR MODERNIZATION

Thyssenkrupp crew arrived on February 20th and the small elevator is now down until the middle of April and then the large elevator will be down until the project is finished anywhere from the end of May to the middle of June.

OFFICE MODERNIZATION

We are now in the new office and the March 11th Board Meetings will be in our new Conference Room.

CASH FLOW

I just paid \$53,952 to Thyssenkrupp Elevator that I thought would be due in a few months and will be paying over \$50,000 in total expenses for the office renovation this month. This will require using all of draining all of \$84,600 in total operating and replacement reserves account for the towers and floating \$15,000 on the credit card and timing our operating expenses until we close on the Parkview project. So the first week of April we should have replaced all of these funds with over \$125,000 (\$80,000 first installment of developer's fee and over \$45,000 in reimbursed administrative expenditures for the Parkview Project).