



## Housing Authority

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of the City of Clay Center  
[www.claycenterhousing.com](http://www.claycenterhousing.com)



Equal Housing Opportunity  
KS Relay Center TDD 800-766-3777

330 West Court St., Clay Center, KS 67432  
(785) 632-2100 \* Fax (785) 632-6363

# Executive Director's Report

## April 1, 2019

**OCCUPANCY** We are maintaining our vacancies at 10 for the Parkview development and right now there is more demand than supply.

### COLLECTIONS

To date, we have received a total of \$2,468 in collections from former tenant delinquencies. We just received another Intent to Levy notice from KDOR so we may still receive more.

### PARKVIEW REDEVELOPMENT

The closing process is still moving but much more involved than I had hoped. We currently have a proposed construction cost of \$2,580,690. Our revised construction budget is \$1,961,941 and this is very close to the Capital Needs Assessment and has been verified by third parties our partners use to determine reasonable construction costs. Therefore, Michael and James will be working with the general contractor to bring their numbers closer to what we believe reality is. While we want to do business with local contractors, the cost must be reasonable. Hunt wants us to use Novogradac to audit our financials for the first 3 years. Novogradac is a national professional services organization consisting of affiliates and divisions providing professional services that include certified public accounting, valuation and consulting. They are headquartered in San Francisco with 25 offices nationwide. I just read their engagement letters and they are very reasonable for the services they are providing. Hunt has agreed to let us continue with our own monthly compilations. This is really a win/win for us. While we have certainly received good services from Lutz, Novogradac is a recognized expert and partner with the affordable housing industry nationwide. Everything seems to be coming together. We need to close because between the new office and the Apollo elevator project we have depleted our housing reserves and still have \$107,835 of anticipated capital expenses for Apollo Towers between now and the end of July. At closing we will

receive an expense reimbursement of \$48,335 and \$80,000 of our developer fee. The remaining \$370,000 is broken up into small portions until the end of the project. The good news is we should have approximately \$390,000 of excess funds from the developer fees at the end of the project to refill our replacement reserves for Apollo Towers and Parkview Plaza combined.

### **APOLLO ELEVATOR MODERNIZATION**

Got off to a slow start with sickness and a wedding but the crew has had a couple of good weeks and should begin work on the large elevator by the end of April.

### **FAIR CLOTH**

I have purposely not completely closed out our Public Housing Program even after HUD asked me to last year. The reason for this, is that we are sitting on an asset. Under the HUD Public Housing Faircloth Limit, we currently have 49 units that used to be in service in Apollo Towers. We have the right to transfer those units to another development and receive operating subsidy and capital funds to subsidize the tenant rents and operations just like we are still doing with the 51 units currently in Apollo Towers. It should be obvious that Clay Center does not now, nor will reasonably expect to use those units in a development in the foreseeable future. However, Riley Housing Authority and Wamego Housing Authority are close to Manhattan and both communities are experiencing some growth and have a market for subsidized family housing. I have made it clear to Michael that I am not interested in developing any properties for them but there may be an opportunity for us to transfer our units to them in exchange for a monetary reward. In other words, those units have monetary value. If we could get a couple hundred thousand or so for them, why not? I have reservations with Riley since it is close enough to compete for the same tenants, but Wamego may have some interest. I am not going to be pursuing this aggressively as that is not the business we are in but if the opportunity presents itself I am asking the Board's permission to pursue it.

### **STAFF PLANNING**

The Parkview Project has made me realize that I simply do not have the energy level that I did even 10 years ago. Of course, that may be due to averaging 49.85 hours per week for 10 of the last 12 weeks. I mentioned last fall that I was entertaining retiring in the Spring of 2022. I have since gone from there to 2028 and now have arrived at June 1, 2024. Since our current pay arrangement goes through the spring of 2022, there is no need to work out any more details until then. However, since I believe long range planning is important, I already have a plan in mind (with a budget) to replace myself followed by Kim (assuming she retires the first quarter of 2025). This would include having my replacement shadowing me the last few months of my tenure and the same for Kim after I leave. This is all still over 5 years away and there is much to be done in the mean time to assure that we are financially sound and sustain high occupancy rates. It is important to end well.