



Housing Authority

of the City of Clay Center
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Executive Director's Report October 13, 2020

OCCUPANCY

We still have 18 vacancies at Parkview, 5 vacancies at Apollo and 2 vacancies at Tolin Terrace. The good news is we now have an application for Tolin Terrace and 8 applications for Parkview Plaza. It appears that all but 1 will meet our qualification requirements. The current schedule is to move tenants into 10 brand new apartments at Parkview Plaza the first full week of November with the next 10 delivered by Christmas. We continue to eliminate a security deposit to new tenants moving into new apartments in Parkview until we reach 100% lease up of new (tax credit) apartments (total of 44 apartments). We will also pay \$100 to each current Parkview tenant who completes a 1-year lease in their new apartment. We will not lease 1-bedroom apartments in Apollo Towers until we reach 80% occupancy at Parkview Plaza. We also intend to offer security deposit refunds to 1-bedroom tenants in Apollo Towers to help meet the 100% lease up at Parkview Plaza, if necessary.

100% Lease Up

What does 100% lease up require. We must have a LIHTC qualified tenant under a lease of a new TC unit for 6 consecutive months in order for the unit to qualify for the investor to receive the corresponding income tax credits on their income tax return. Since we have 6 set asides, that means that we need to meet this requirement by the end of FY 2021. Our goal is to lease all 50 new units by the end of June, 2021. That should help assure that we hit the 44 leased up units by the end of the year. What will interfere with that goal is if a tenant moves out for any reason. That will most certainly happen so we will monitor the process very carefully.

PARKVIEW REDEVELOPMENT

I expressed my frustration clearly with the General Contractor at our October 1st construction meeting. Their project schedule shows us receiving the completed units for

Phase 1 on October 26, 2020 and it was clear on October 1st that it was impossible to meet that requirement. The architect and our development parties were also frustrated that there had been very little progress after nearly 4 months. A follow up meeting between the architect, development partners, and the general contractor on October 5th resulted in a commitment by the general contractor to deliver the Phase 1 units on November 2nd. I have since locked in King Moving crews to move new residents into the Phase 1 units on November 5th and 6th, followed by the cleaning of two apartments on the 7th and then relocating existing residents in the Phase 2 apartments on November 9th and 10th. I have assured the General Contractor that I will not allow them to change these dates and that I expect them to meet their original schedule of delivering Phase 2 units on December 17th. The general contractor claims to be ahead for the entire project. However, that is yet to be supported by observations. Our development partner is also in conversation with another contractor in case we do not see the required progress.

OTHER ISSUES

It appears that we successfully relocated the bat populations from our two towers. However, we have growing issues with the trim around the top edges of Apollo Towers caused by multiple wind storms and we need to install new flashing on to roof edges on the Apollo Towers elevator building. We have received what looks like a reasonable proposal from McGee Roofing. However, the cost is \$10,000. The question is, do we go ahead and use reserves or consider some short term debt.