

Regular Meeting of the Board of
Commissioners
Thursday, December 17, 2020 8:30 AM
First Floor Boardroom
1823 Harney Street
Omaha, NE 68102

1. ROLL CALL
2. ANNOUNCEMENT OF OPEN MEETINGS LAW
3. PUBLIC COMMENTS
4. REPORT OF CHIEF EXECUTIVE OFFICER
5. ACTION ITEMS
 - 5.1. CONSENT AGENDA ITEMS FOR CONSIDERATION
 - 5.1.1. Minutes of Previous Board Meeting
 - 5.1.2. Finance/Procurement/Operations
 - 5.1.2.1. Resolution 2020-74 OHA Past Due Write-Offs
 - 5.1.2.2. Resolution 2020-75 Annual Audit Contract
 - 5.1.2.3. Resolution 2020-76 Amendments to the Admissions and Continued Occupancy Plan
 - 5.1.3. Development/External Affairs/Public Relations
 - 5.1.3.1. Resolution 2020-77 Disposition Application-Scattered Site Houses
 - 5.1.3.2. Resolution 2020-78 Sale of Scattered Site Houses
 - 5.1.3.3. Resolution 2020-79 Approve Master Development Agreement with Brinshore Development, LLC

Memorandum



To: OHA Board of Commissioners

From: Brian Hansen, General Counsel

Date: December 17, 2020

Re: CNI Master Development Agreement with Brinshore Development and the City of Omaha

RECOMMENDED ACTION:

Staff of the Housing Authority of the City of Omaha (OHA) recommends that the OHA Board of Commissioners approve a Master Development Agreement with Brinshore Development, LLC and the City of Omaha for the Choice Neighborhood Implementation Grant, subject to staff approval of all exhibits.

PAST ACTION:

The OHA Board of Commissioners authorized OHA staff to negotiate a Master Developer Agreement with Brinshore and the City of Omaha at the March 12, 2020 meeting.

EXPLANATION:

The City of Omaha and OHA were awarded a \$25 million FY2018 Choice Neighborhoods Implementation Grant (CNI Grant) for the North 30th Street Corridor. With the CNI Grant funds, the City of Omaha and OHA will replace the Spencer Homes and Martin Luther King Building with a vibrant, mixed-income housing community.

OHA Staff and the City of Omaha Planning Department and Law Department have negotiated a Master Development Agreement with Brinshore Development, a copy of which is attached hereto. Key points from the proposed Agreement include:

- Brinshore and OHA will serve as co-developers for the redevelopment work contemplated by the Redevelopment Plan
- The Parties currently contemplate that the Redevelopment will consist of five distinct phases consisting of approximately 425 total units which are intended to revitalize the North 30th Street corridor and result in the replacement of the 112 public housing units currently at Spencer Homes (to be renamed Kennedy Square). The Phases will be divided into two catalytic nodes along the North 30th Street corridor: the first node being commonly known as the Highlander consisting of (i) a 101 unit development completed in August 2018 (“Highlander Phase 1”), (ii) an approximately 60 unit development (“Highlander Phase 2” or “Nobility Point”), and (iii) an approximately 89 unit development (“Highlander Phase 3”), all of the foregoing collectively being referred to herein as the “Highlander Phases”; and the second node being commonly known as Kennedy Square consisting of (iv) an approximately 95 unit development (“Kennedy Square Phase 1”), and (v) an approximately 80 unit

development (“Kennedy Square Phase 2”), all of the foregoing collectively being referred to herein as the “Kennedy Phases”.

- A goal of the Transformation Plan is to create mixed-income developments with replacement units, Low Income Housing Tax Credit (“LIHTC”) units, and unrestricted market-rate units.
- The term of the Agreement begins on the date of signature and expires upon the completion of certain defined Development Milestones.
- Brinshore is primarily responsible for all development services required for the planning, design, development, construction and marketing of the Redevelopment, including all related demolition (unless undertaken by OHA by mutual agreement of the Parties), infrastructure, site improvements and construction activities.
- It is anticipated that the rental units of the Redevelopment will be a mix of unit types, which may include public housing Annual Contributions Contract (ACC) units, RAD units, PBV units, LIHTC units, and unrestricted market rate units. The final unit mix of each Phase will be subject to marketability and financial feasibility and the CNI Requirements.
- Financing is to be obtained or procured jointly by Brinshore and OHA on behalf of the Owner Entities and secured for each Phase. Brinshore shall take the lead on making applications for financings and OHA shall cooperate fully with Brinshore on applications for financing.
- The Parties intend to submit applications to NIFA for its non-competitive 9% LIHTC set-aside CRANE program for Kennedy Square Phase 2. The Parties intend to submit applications to NIFA for 4% bond/LIHTC executions for Highlander Phase 3 and Kennedy Square Phase 1. The Parties may also apply for other funding, such as HOME funds and any other applicable funding that may be available.
- Financing for the Transformation Plan is preliminary at this time, but it is expected to include LIHTCs (either 4% credits combined with tax exempt bonds or 9% credits), conventional financing and such other sources of funds and/or local government contributions as necessary to fund the Redevelopment. Such sources may include CNI Grant funds (to be provided by the City), HOME, the Affordable Housing Program (AHP) through the Federal Home Loan Bank, philanthropic funds, LIHTC equity, HUD conventional loans secured by a mortgage (based on rent structures or mortgage payments that can be supported), OHA sources (as further discussed below), local sources, and other federal, state, and local governmental and non-governmental sources, whether available now or that may become available over time. Operating subsidy may come from public housing funds, the RAD program, or PBVs as available and if awarded in accordance with program requirements.
- The development plan for each Phase of the development will include a development budget and development schedule.

- Brinshore shall provide OHA and the City with written progress reports of the previous quarter on a Phase by Phase basis in such form as may reasonably be required by OHA or the City.
- Brinshore has worked and will continue to work with OHA, the City, and other parties identified in the CNI Application, to involve residents and resident organizations in the planning and development process.
- The Redevelopment will be designed and constructed in compliance with all applicable Federal, state and local laws, codes, ordinances, rules and regulations and with all permits.
- Brinshore shall ensure that labor standards applicable to the Redevelopment (the most stringent of which currently is the Davis-Bacon Act, 40 U.S.C. § 276a *et seq.*).
- The Parties shall jointly select a Third Party Contractor to manage each Phase.
- The Parties contemplate that the rental units and the site improvements for each Phase will be owned by one or more special purpose entities (“Owner Entity” or “Owner Entities”) with Brinshore or its affiliate serving as the managing general partner or the managing member, as applicable, of the Owner Entities. OHA or its affiliate will serve as the non-managing general partner or the non-managing member, as applicable, of the Owner Entities for the Kennedy Square Phases.
- OHA may, in its discretion (but only to the extent such Phase contains land owned by OHA and is required by HUD), enter into a long-term ground lease (“Ground Lease”) with each Owner Entity designated to have a leasehold interest in the corresponding Phase of the Redevelopment, pursuant to which the Owner Entity will construct the improvements and have the right to occupy and operate that Phase of the Redevelopment site for a term of at least seventy-five (75) years (or such longer period as may be reasonably required by the investor for such Phase), subject to a Declaration of Restrictive Covenants in favor of HUD.
- OHA will pay rental subsidies to the Redevelopment pursuant to a PBV HAP contract or a Regulatory and Operating Agreement as applicable for each Phase.
- OHA will be responsible for the relocation of any existing Spencer Homes residents with such relocation expenses, including OHA overhead and expenses with respect to such relocation, to be borne as a CNI Grant expense in accordance with a budget approved by the Parties.
- Brinshore and OHA shall receive development fees for the Kennedy Square Phases: 60% of the Developer Fee will be paid to Developer (or an affiliate thereof) and 40% of the Developer Fee will be paid to OHA.
- Brinshore shall pay 25% and OHA shall pay 75% of all predevelopment costs. It is anticipated that all allowable predevelopment costs will become allowable project costs and will be reimbursed to Brinshore and OHA.

SOURCE OF FUNDS:

Choice Neighborhood Implementation Grant Funds

METHOD OF PROCUREMENT:

A Request for Proposals was issued on August 25, 2015.

SPONSORS:

Brian Hansen, General Counsel

Steve Schrader, Director of Procurement and Capital Budgets

RECOMMENDED BY:

Joanie Poore, CEO

5.2. ADDITIONAL ITEMS FOR CONSIDERATION

- 5.2.1. Resolution 2020-80 Budget for 2021
- 5.2.2. Resolution 2020-81 Renewal of Commercial and Liability Insurance Policies
- 5.2.3. Resolution 2020-82 Approve MOU with Youth Emergency Services
- 5.2.4. Resolution 2020-83 Approve Purchase Option 540 S. 27th St.
- 5.2.5. Resolution 2020-84 Renewal of Automobile Insurance

6. STAFF AND COMMITTEE UPDATES

- 6.1. Housing Choice Voucher Program
- 6.2. Asset Management (Public Housing)
- 6.3. Housing in Omaha, Inc.
- 6.4. Compliance
- 6.5. Financials
- 6.6. Development
- 6.7. Procurement/Contracting/Capital Budgets
- 6.8. Human Resources
- 6.9. Family and Community Services
- 6.10. Legal

7. NEW BUSINESS

8. EXECUTIVE SESSION

9. ADJOURNMENT