



CITY OF CARSON

Legislation Text

File #: 2018-116, Version: 1

Report to Housing Authority

Tuesday, March 06, 2018

Consent

SUBJECT:

CONSIDER APPROPRIATION OF HOUSING AUTHORITY FUNDS TO THE FINANCIAL INCENTIVES ACCOUNT TO COMPLETE FUNDING OF CURRENT PROJECTS AND COMPLETE FUNDING OF THE META HOUSING PROJECT (HOUSING AUTHORITY)

I. SUMMARY

The City's Housing Authority carries out the housing function of the former Carson Redevelopment Agency in accordance with the California Housing Authority Law and other applicable housing-related regulations. Staff is recommending that \$4,752,922.00 of Housing Authority funds be appropriated to the Authority's financial incentive account to complete funding of existing projects and to fund its remaining obligation under an Agreement with Meta Housing dated March 31, 2017.

II. RECOMMENDATION

APPROPRIATE \$4,752,922.00 of Housing Authority funds to the Authority's financial incentive account to fund current and upcoming projects.

III. ALTERNATIVES

TAKE any other action that the Authority deems appropriate and is within the requirements of law.

IV. BACKGROUND

Housing Authority financial incentive funds were used to help facilitate the construction of Affirmed Housing's Bella Vita project on Sepulveda Boulevard, an affordable senior housing project that is nearing completion and the Veteran's Village housing project at the corner of Carson and Figueroa Streets, an affordable veterans' housing project that broke ground this month. In the Bella Vita project the Authority has processed regular construction draw requests, while in the Veteran's project the Authority contributed its funds at the close of escrow, with draws being processed by the master construction lender.

While the Authority had sufficient funds in its fund balance to fund these projects, it did not appropriate sufficient funds in Fiscal Year 2017-18, and has overdrawn the Financial Incentives account by \$1,952,922.00. This action would appropriate funds to cover the shortfall and provide the additional funds for the Meta Housing project.

Later this month, Meta Housing will close on the financing of its Artist's Colony project, an affordable housing project with a leasing preference for working artists. A Housing Authority Agreement with Meta Housing was entered into on March 31, 2017, under which the Housing Authority funded Meta's acquisition of the property located at 21205 Main Street in the amount of \$4.2 million for the development of 45 affordable units for artists and one manager's unit. The agreement provides another \$2.8 million in Authority cash at the close of financing, to be used for construction. A Purchase Order was opened in Fiscal Year 2016-17, from which the acquisition was paid. The PO was closed at the end of the fiscal year and the remaining \$2.8 million was returned to Fund Balance. This merely re-appropriates those funds. No further action is necessary on the agreement itself.

Meta submitted its application for low income housing tax credits in June 2017 and in October received the award. Under the Tax Credit rules, Meta must commence construction no later than the first half of April. The close of financing is March 15. Meta is already the owner of the property and has site control and has already demolished the building.

V. FISCAL IMPACT

The appropriation of \$4,752,922.00 to the Authority's Financial Incentive accounts, 55-70-790-967-6058, will cover the operating shortfall and allow the Authority to fund its obligations under the Meta Housing agreement; this will reduce the Housing Authority's available funds to \$10,557,967.00.

VI. EXHIBITS

1. Budget Resolution (pgs. 3-4)

1.

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