

Housing Asset Fund Expenditure and Property Disposition Options



**MERCED HOUSING
SUCCESSOR AGENCY**

MARCH 18, 2019

Background



- City elected to be Housing Successor
- Housing Successor Agency (Managed by Housing Division:
 - Disposition of Property
 - Debt Obligations
 - Program Monitoring
- Current assets include:
 - 9 vacant properties (plus 1 pending)
 - \$1.4 million in Low and Moderate Income Housing Asset Funds (“Housing Asset Funds”)
 - ✦ \$1.2 Million is proposed to be obligated to Childs Court Apartments
 - ✦ \$200,000 is for Administrative Costs
 - Over \$8 million in loans receivable

Housing Successor Annual Report



LMIHAF Revenues & Expenditures

- **Amount deposited** into Housing Asset Fund during fiscal year
- Statement of **balance** at close of fiscal year
- Description of **expenditures**, broken down by the **4 allowable categories**
- Description of any **transfers** to another housing successor for a joint project

Other Assets & Active Projects

- Description of projects receiving **ROPS funding**
- Update on **disposition** of property owned 5+ years and plans for property owned for less
- Value of **“Portfolio”** (real property & loans/grants receivable)
- **Inventory** of homeownership units assisted by former RDA or the housing successor that are subject to covenants or restrictions

Obligations & Proportionality

- Description of **outstanding production obligations** of former RDA inherited by housing successor
- Compliance with **income proportionality** requirements
- Percentage of **senior-restricted units** assisted to total assisted units
- **Excess surplus** amount and plan for elimination

Housing Asset Fund Compliance



To ensure compliance:

- All projects must be for 80% AMI Housing and below
- 30% of funds spent on 30% AMI rental units
- Limitations on senior-assisted units
- Requires 45 to 55 year covenants
- All Funds received must be re-appropriated to eligible projects.

Eligible Projects:

- \$1.2 million to the Childs Court Apartments
 - Construction of Permanent Supportive Housing (30% AMI)
- Disposition of Property – Market Rate vs. Non-Profit Org.'s

Expenditure and Disposition Options



- Create a strategy that maximizes leveraging of Assets
 - 5- Year Timeline
 - Compliance with Rules and Regulations
 - Considered Community Needs
- Options Considered:
 - Available assets
 - Estimated revenue stream from loans receivable
 - City housing needs and priorities
 - Property readiness.

Property Disposition



- Initiate affordable housing development or sell by February 25, 2023
- Not subject to the Surplus Land Act
- Sales proceeds must be deposited into the Housing Asset Fund

#	Address	Lot S.F.
1	1823 I Street	2,100
2	1815 I Street	2,400
3	205 W. 18th Street	3,000
4	211 W. 18th Street	7,500
5	202 W. 19th Street	7,500
6	1744 I Street	5,000
7	49 W. 18th Street	10,800
8	150 W. 19th Street	7,500
9	73 South R Street	20,416
10	26 W. 18 Street (pending DOF approval)	7,500

Map of Sites 1-8 and 10




Map of Site 9

Merced Housing Properties

Write a description for your map.

Legend

 Properties



Next Steps – Compliance



- Review Programs and Projects Annually
- Monitor Loans, Affordability Covenants, and Projects.
- Meet with Multi-Family Property Lien Holders:
 - Sierra Meadows Apartments
 - Woodbridge Place Apartments
- Submission of Housing Successor Annual Report
 - Fiscal Year 2017/18 Report
 - Submitted to HCD

Next Steps – Project



- Ensure commitment of funds to Childs Court Apartments
 - \$1.2 million comply with legal restrictions
- RFP/RFQ for Sites 1-8 & 10
 - Scattered Site Development
 - Partner with Non-Profit Organizations
 - Construct new Permanent Supportive / Affordable Housing
- Sell Site 9
 - Market Rate, No Affordability Restrictions, Appraisal
 - Generating Revenue to assist with develop Sites 1-7