

City Continues its Mission to Provide More Senior Housing

April 28, 2024



The City took two separate actions recently, one as the Housing Authority, the other as the lender and property owner of the land once was the El Patio Motel, to provide desperately needed senior housing.

First, Councilors adjourned to the Crescent City Housing Authority then directed the Housing Director to execute an Agreement to Enter into a Housing Assistance Payments (AHAP) contract with Crescent City H Street LP for 26 Project Based Voucher (PBV) units at Harbor Point.

The history of this project originated in 2015 when the City entered into a disposition and development agreement with Danco communities of Arcata. The inability to secure tax credit financing stalled the project for years.

In 2022, the City and Danco applied for and awarded a \$5 million Competitive Permanent Local Housing Allocation (CPLHA) grant fund through Senate Bill 2 (SB2)

Last August, the Housing Board approved a commitment of 26 PBV's at Danco Development's proposed Harbor Point Senior Housing project located at 655 H St. The entity that will develop and now own the

project is Crescent City H Street LP. The approval allows the project to successfully close a very long escrow and commence construction. The AHAP binds the Housing Authority to enter into the contract, upon completion and occupancy of Harbor Point.

The Housing Authority adjourned back to the City and approved the Harbor Point Project.

Secondly, councilors approved and authorized the City Manager to sign the following documents:

- Sign Estoppel Certificate (an agreement which confirms rental details of a lease) amendment for 655 H St.
- Sign grant deed for transfer of property to Crescent City H Street LP.
- Sign financing documents for \$4.75 million CPLHA loan.

The transaction appears complicated, lots of acronyms and private-government paperwork. The protocol in subsidized housing meanders by many sets of eyes, is often tedious and very deliberate. In this case, 26 brand new senior and much needed housing units will soon be available. The 27th unit will be provided by Danco for local onsite management.

The City's carry back loan for the transfer and development of the property is \$910,000 over 55 years at the rate of three percent per annum. The \$160,000 and interest thereon will be deposited back into the housing asset fund. The developer fee will go into the City General Fund.

The City will retain \$250,000 for Administration fees and loan the remaining \$4.75 million to Crescent City H St. LP.

Finally, because the CPLHA is a grant to the City, which then loans the money to the developer, it will not affect the City's ability to borrow funds because it will not be a liability on the City 's books.

In other City business, the Council unanimously approved the continuation of emergency declaration on the continuous slide activity along Pebble Beach Drive, between 7th and 8th Streets. The City Manager provided no official updates or significant changes on the current emergency.

The City meets Monday, April 25th in a budget workshop. The public meeting is scheduled at 6pm at the Wastewater Treatment Facility, 210 Battery Street.