

City of Culver City & Community Corporation of Santa Monica (CCSM) Affordable Housing Funding Agreement

As inducement for Community Corporation of Santa Monica ("Community Corp") to request an extension of its 4% Low Income Housing Tax Credit and tax-exempt bond commitment, the city of Culver City and Community Corp agree to work together to solve the project's existing \$16 million funding gap.

Option 1

The City commits to providing a \$16 million loan commitment by March 15th so that the project can close its construction financing and keep the tax credits.

- 25% of the loan will be disbursed during construction (paid in by 3/15/25, if possible)
- The remaining 75% will be allocated at the permanent loan conversion (projected 4th Q 2027).
- The Commitment letter must be legally binding and be structured to meet the underwriting requirements of both the construction and permanent lender and the tax credit investor.

The City will issue an Agreement to enter into a Housing Assistance Payment ("AHAP") contract for 50 project-based vouchers as well as the \$16 million loan to the project.

Option 2

The City will deliver 93 project-based vouchers (PBVs) under the AHAP originally-contemplated in the Culver City Housing Authority's (CCHA) voucher commitment.

Good Faith Efforts to Recoup City Funds

In either case, the City and Community Corp will make good faith efforts to recoup the city's financial commitment (of either soft funds or PBVs) by the second anniversary of the construction closing (i.e. currently projected as June 2027):

City of Culver City

- Waive or defer of impact fees associated with the project
- Establish inclusionary housing program with fee allocations directed toward replenishing City commitments.
- Explore Neighborhood Infill Finance and Transit Improvement (NIFTI) districts or other special assessments for affordable housing
- Apply for Housing and Community Development (HCD) funds for cities to support affordable housing production
- Seek funding with Community Corp from the state and county sources.

Jubilo Village Apartments, Culver City
Draft Gap Financing Road Map
February 18, 2025

- Negotiate with market-rate developers to utilize Jubilo Village units to offset their affordable housing unit requirements
- Issue a housing bond to support long-term affordable housing financing
- Seek CDBG or HOME emergency funding for wildfire victims

Community Corp

Community Corp agrees to operate in good faith to deliver project funding commitments to replace all or part of the city's outlay. Specifically, Community Corp will negotiate language with funders such that new funding commitments shall replace the city's 'backstop' commitment:

- Apply for Los Angeles County Development Authority (LACDA) NOFA 31 (County of LA) capital and voucher funding by April 2025
- Apply for HCD Homekey + funding by April 2025
- Apply for Section 811 Rental Assistance funding through CalHFA by March 2025
- Apply for FHLB Affordable Housing Program (AHP) funding in 2025, 2026 and 2027 as needed
- Apply for Strategic Growth Council (SGC) funding where needed
- Support the City's efforts to secure new funding sources and advocate where needed