



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

---

**File #:** 25-811, **Version:** 1

**Item #:** A-3.

---

**CC:HA - ACTION ITEM:** (1) Consideration of a Request from Community Corporation of Santa Monica (CCSM) for a \$16 Million Residual Receipts Loan for the Jubilo Village Affordable Housing Project; (2) **FOUR-FIFTHS VOTE REQUIREMENT:** If CCSM's Request is Granted, Approval of a Related Budget Amendment; and (3) Direction to the City Manager as Deemed Appropriate.

**Meeting Date:** February 24, 2025

**Contact Person/Dept.:** Jesse Mays, Assistant City Manager  
Tevis Barnes, Housing and Human Services Director

**Phone Number:** City Manager's Office (310) 253-6000  
Housing and Human Services (310) 253-5780

**Fiscal Impact:** Yes ☒ No ☐ **General Fund:** Yes ☒ No ☐

**Attachments:** Yes ☒ No ☐

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (02/19/2025)

**Department Approval:** John Nachbar, (02/19/2025)

---

### **RECOMMENDATION**

Staff recommends the City Council (1) consider a request from Community Corporation of Santa Monica (CCSM) for a \$16 million residual receipts loan from the City for the Jubilo Village affordable housing project; (2) if CCSM's requested is granted, approve a related budget amendment (**four-fifths vote required**); and (3) provide other direction to the City Manager as deemed appropriate.

### **BACKGROUND**

Jubilo Village is a proposed 100% affordable housing development at 4464 Sepulveda Boulevard that will provide 93 affordable one, two and three-bedroom apartments to at-risk and low-income households ("Project"). The Project will be service-enriched and provide onsite supportive services through a partnership with Upward Bound House, a Culver City local emergency shelter for homeless children and their families. In addition to providing residents with access to resources, the Project will also include onsite property management services. The Project will be developed in partnership with

the property owner, Culver Palms United Methodist Church (“the Church”). The Church will build a new sanctuary building on the portion of the site it retains, a project that is funded separately from Jubilo Village. Once completed, Jubilo Village will be the City’s second 100% affordable mixed-used project, the first being Tilden Terrace on Washington Boulevard.

### ***City and Housing Authority History of Support for Project***

Culver City has a long history of support for Jubilo Village. In 2021, the City approved a commitment to the Project of a \$2 million construction and permanent loan. In 2022, the City increased its previous loan commitment to \$4 million.

In 2023, the City served as a receiver for a \$1 million State of California grant facilitated by Assemblymember Isaac Bryan for Jubilo Village.

In 2023, the City worked with CCSM to jointly apply for grant funding from the state Affordable Housing and Sustainable Communities (AHSC) Round 7 Funding program for the Project. Ultimately, the City and CCSM were not awarded the grant.

In 2024, the City and CCSM again jointly applied for funding from the state AHSC Round 8 Funding program. The City and CCSM again were not awarded the grant.

In 2025, the City Council directed staff to submit a joint application for funding with CCSM from the Homekey+ program. Staff is currently in the process of working with CCSM to complete the application.

Housing Authority staff has recommended that the Culver City Housing Authority (also referred to as “CCHA”) award Jubilo Village 42 project based vouchers (PBVs). This award is subject to the approval of the CCHA Board, which will be decided at an April 2025 joint City Council/Housing Authority Board meeting, as well as the entering into an Agreement to Enter into a Housing Assistance Payments (AHAP). The 42 vouchers are expected to provide Jubilo Village with an annual income stream of approximately \$824,976 per year for 20 years, with annual increases as allowed by the United States Department of Housing and Urban Development (HUD). The net present value of this revenue stream is approximately \$16 million (assuming 3% annual HUD increases and a 3% discount rate). If approved, the funding for this Project would ultimately use the majority of the funding that currently goes to Culver City’s Section 8 Housing Choice Vouchers.

In addition to the annual revenue from the PBVs with a net present value of \$16 million, CCSM has stated that the project needs another \$16 million to be viable. Since learning about the \$16 million shortfall, the City has made significant efforts to help CCSM find additional funding to fill the gap.

The City Council has engaged in persistent outreach to federal, state, and county elected officials to request their assistance through the following efforts:

- Mayor O’Brien sent letters on behalf of the entire City Council to U.S. Senator Padilla, U.S. Senator Schiff, Congresswoman Kamlager-Dove, Supervisor Mitchell, and the executive directors of the Housing Authority of the City of Los Angeles and the Los Angeles County Development Authority.
- Mayor O’Brien, when visiting Washington D.C., met with the Chief of Staff for Congresswoman

Kamlager-Dove, and requested assistance in person to Senators Padilla and Schiff at a convening of California mayors. He has also met with staff for Congresswoman Kamlager-Dove, Supervisor Mitchell, Assemblymember Bryan, and the Federal Emergency Management Agency, to request assistance with this project.

- Vice Mayor Puza contacted Congresswoman Kamlager-Dove, Assemblymember Bryan, Supervisor Mitchell, as well as staff at the Southern California Association of Governments and the Los Angeles County Development Authority.
- Council Member McMorris has contacted Congresswoman Kamlager-Dove, State Senator Smallwood-Cuevas, Assemblymember Bryan, and Supervisor Mitchell.
- Council Member Fish met with the offices of Supervisor Mitchell and Congresswoman Kamlager-Dove.

City staff took the following actions:

- Had phone conversations to advocate for the Project and brainstorm ideas with staff from the offices of Congresswoman Kamlager-Dove, State Senator Lola Smallwood-Cuevas, State Assemblyman Isaac Bryan, Los Angeles City Councilwoman Traci Park, and Los Angeles City Councilwoman Katie Yaroslovsky.
- Requested PBVs from the Housing Authority of the City of Los Angeles and the Los Angeles County Development Authority. Neither of those agencies had PBVs that it would give for the Project.
- Investigated master leasing until informed by CCSM that a master lease commitment would not work due to its lender's requirements.
- Recommended to CCSM that it seek funding from private philanthropy.
- Recommended to CCSM that it seek an extension of time for use of its tax credits, as allowed by the State Treasurer's office. CCSM has asked the City for an "inducement" to apply for an extension, for reasons that are unknown (see Attachment 1).
- Suggested to CCSM to renegotiate with the Church to reduce the \$13.1 million lease price for the land. CCSM responded that the Church could not reduce its lease price because its new sanctuary project would then be financially infeasible.
- Contacted Supervisor Mitchell's office and the Los Angeles County Development Authority to advocate for changing the guidelines for the No Place Like Home Program, which is a grant program for affordable multifamily rental housing. The current guidelines prohibit projects with tax credits from eligibility. To date, the County has declined to grant an exception to eligibility, and Supervisor Mitchell's office remains supportive of the existing County prioritization of projects, which does not prioritize Jubilo Village.
- Coordinated a meeting with CCSM and Congresswoman Kamlager-Dove's office.
- Coordinated a meeting with CCSM and State Senator Smallwood-Cuevas' office.

### ***Project Based Vouchers***

Unlike tenant-based assistance where a rental subsidy is attached to a tenant, project-based assistance programs attach the rental subsidy to the unit or building for a set period. Through its Section 8 Housing Choice Project-Based Voucher program, HUD allows a public housing agency, such as the Culver City Housing Authority, to set aside up-to approximately 20% of its tenant-based vouchers for project-based voucher assistance. In addition, the public housing agency is allowed to set aside an additional 10% of its tenant-based vouchers for projects providing supportive services. A housing agency must receive HUD approval to allocate PBVs.

In Fall of 2024, the Culver City Housing Authority was approved by HUD to issue up to 50 PBVs. Per HUD regulations, the issuance of PBVs occurs via a competitive process. On December 2, 2024, the Culver City Housing Authority invited owners and developers of multi-family rental projects to submit proposals to receive project-based voucher assistance. Project-based voucher assistance was available for up-to 50 units under the request for proposals. The funding was to be committed to specific units for up to 20 years. HUD restricts the amount of PBV unit subsidies provided to any specific project to no more than 25 percent of the total number of dwelling units in the project or 25 units in a project, whatever is greater. However, HUD may approve an exception to exceed the 25 percent cap if the project provides supportive services to project occupants. Applications were due on January 9, 2025. On February 19, 2025, Housing Authority staff notified CCSM that staff has selected the Project to be awarded up to 42 PBV, subject to the final approval of the CCHA Board and entering an AHAP. The Housing Authority Board (i.e. the City Council Members) will consider approval at a joint City Council/Housing Authority Board meeting in April 2025.

### ***Maximum Number of Vouchers vs HUD Budget Authority***

HUD allows CCHA to issue a maximum of 399 vouchers. This is a theoretical number, because the number of vouchers CCHA can issue is limited to the number that HUD provides the budget to support. A voucher's dollar value can vary significantly depending on the location, the chosen housing unit, and the renter, because the value of a voucher depends on the area's Fair Market Rent (FMR), the renter household's income level, and the rent of the chosen unit. Culver City's FMR is extremely high compared to the rest of the country, and CCHA's Section 8 program participant's income levels are typically very low. This results in a relatively high value for each CCHA voucher, because participants with very low incomes paying very high rents require a larger Section 8 subsidy. For that reason, over the last 10 years, the greatest number of vouchers issued by Culver City at any given time was 141 (in January of 2015) even though the budget utilization in that year was 98%. Budget utilization is the amount of annual HUD budget provided that a housing agency uses. As rents increased steadily in Culver City over the past decade, the number of vouchers CCHA can afford to issue has declined, even as CCHA's budget utilization has steadily remained around 100%. In fact, at many times during the past decade, budget utilization has exceeded 100% (See Attachment 2).

The mismatch between voucher authority and budget authority could make it appear that a housing authority is not issuing as many vouchers as it could be issuing. However, this is not the case, as a housing authority can only issue as many vouchers as it has HUD funding to issue, which is often less than the total maximum number of vouchers authorized.

### ***Culver City Housing Authority's Cost Saving Measures***

In November 2024, CCHA reached a 10-year low for both number of vouchers issued (71) and budget utilization (78%). This was intentional. Beginning in 2023, the Housing Authority began implementing cost saving measures to be able to support future PBVs for Jubilo Village (or another affordable development). Foreseeing the need for PBVs for Jubilo Village (or another affordable development), CCHA staff began the process of preparing to convert funding that was being used for Housing Choice vouchers (where the participants are free to choose any housing that meets the requirements of the program) to funding for PBVs. Typically, seven to ten Section 8 program participants leave the program every year in Culver City (in many cases due to death of the participant). When a participant leaves the program, the funding that was used for their Housing Choice voucher becomes available for either another person's Housing Choice voucher, or a PBV. Beginning two years ago, as participants left the Housing Choice program, CCHA began not issuing new Housing Choice vouchers, to build capacity in the budget for future PBV payments. For that reason, CCHA has not issued new vouchers to any new participants during the last two years, shrinking the total number of program participants by attrition to 71 (as of November 2024). CCHA also minimized any approved voucher rent payment increases during the past two years, to save money. These actions allowed CCHA to build capacity in its ongoing budget to support PBV (i.e. lower budget utilization), but CCHA also increased its reserve funding using the savings. Lower budget utilization and a larger cash reserve allows a housing authority to fund a greater number of PBVs.

Through the cost savings measures taken by the Housing Authority, it gained sufficient room in its budget to fund 42 PBVs for Jubilo Village. It should be noted that should the CCHA Board approve the 42 PBVs, once Jubilo Village is completed, it is anticipated that CCHA will reach 100% budget utilization, and CCHA will not have additional budget authority to issue any additional Housing Choice Vouchers or Project Based Vouchers. At that time, a significant portion of the City's Section 8 budget will be directed towards Jubilo Village.

### ***Use of Funds By CCSM***

CCSM current projection for the Jubilo Village construction cost is approximately \$78.64 million. This is comprised of the following items:

|  |                 |
|--|-----------------|
| Hard construction costs                              | \$47.57 million |
| Soft construction costs                              | \$16.60 million |
| Land lease from Culver Palms United Methodist Church | \$13.1 million  |
| Financing costs                                      | \$1.31 million  |
| TOTAL  | \$78.64 million |

### ***CCSM's Source of Funds: Construction***

CCSM will use the following sources of funds to fund the construction costs:

|                              |                  |
|------------------------------|------------------|
| Tax Exempt Construction Loan | \$39.300 million |
| Taxable Construction Loan    | \$18.721 million |

|  |                  |
|--|------------------|
| Culver City Loan                             | \$4 million      |
| Accrued Deferred Interest - Culver City Loan | \$176,000        |
| State Grant:                                 | \$1 million      |
| Costs deferred until conversion:             | \$250,000        |
| Capital Contributions, Limited Partners:     | \$11.198 million |
| (Current Shortfall)                          | (\$4 million)    |
| TOTAL  | \$78.64 million  |

### ***CCSM's Source of Funds: Permanent***

Subsequent to the completion of construction, CCSM intends to recapitalize using the following sources of funds:

|   |                  |
|---|------------------|
| Permanent Loan                                | \$12.963 million |
| State Tax Credit Sale Loan                    | \$14.699 million |
| Culver City Loan                              | \$4 million      |
| Accrued Deferred Interest - Culver City       | \$176,000        |
| State Grant                                   | \$1 million      |
| Limited Partners (State Tax Credit Investors) | \$27.996 million |
| (Current Shortfall)                           | (\$16 million)   |
| TOTAL   | \$76.83 million  |

### **DISCUSSION**

Culver City Housing Authority receives funding from the United States Department of Housing and Urban Development for the purposes of providing rental assistance to individuals that meet income and other qualifying guidelines. The program is informally known as Section 8. In FY23/24, Culver City Housing Authority received \$1,402,128 in funding from HUD for the Housing Choice Voucher program. The Housing Authority distributed \$1,214,029 as Housing Assistance Payments, and operating expenses (including administration) were \$324,100. Based on responses from new Housing and Urban Development Secretary Scott Turner during his Senate confirmation hearing, the Trump Administration does not plan to increase funding for existing Housing and Urban Development programs. (

<https://www.warren.senate.gov/newsroom/press-releases/at-confirmation-hearing-ranking-member-warren-questions-turner-on-federal-investments-in-housing-supply-cracking-down-on-private-equity>)

Culver City Housing Authority staff anticipates that its Section 8 funding will remain at approximately the same level for the foreseeable future.

CCSM requested 42 PBVs for Jubilo Village during CCHA's recent Request for Proposals process. These vouchers, if approved by the CCHA Board at a meeting in April, will represent a significant 20-year commitment of Culver City Housing Authority's Section 8 funding from HUD. The annual total

amount of rental subsidy awarded to Jubilo Village through the PBV program is expected to amount to approximately \$824,976 a year for 20 years (compared with the \$1,214,029 distributed as vouchers by CCHA in FY23/24).

HUD has provided Culver City Housing Authority with budget authority that allows for a maximum of 50 PBVs to be issued. Budget authority is the maximum annual amount that may be paid by HUD to a public housing agency. A housing agency is required (under threat of criminal and/or civil penalties) to ensure that the amount of assistance that is provided in the form of PBVs is beneath the budget authority. City staff has met on numerous occasions with HUD to advocate for an increase in the annual budget authority, but HUD has not granted this request. City staff has also advocated to the City's federal elected officials to pressure HUD to increase the budget authority, but this has not been successful.

### ***CCSM's Request***

CCSM is requesting the City approve a \$16 million residual receipts loan. Details of the request are included in the attached "Road Map," prepared by CCSM (Attachment 1).

The requested \$16 million loan is in addition to the \$4 million loan already approved and 42 PBVs recommended by Housing Authority staff for the project. If the loan is granted, the City and Housing Authority's total commitment for the project would increase to a value of approximately \$36 million (the \$4 million previous loan plus the \$16 million new loan plus the \$16 million net present value of the 42 PBV.)

### ***Residual Receipts Loan***

A residual receipts loan, also known as an excess receipts loan, is a loan that is paid back only after a borrower pays for its operating expenses, its conventional loan(s), and its investors. In this case, the City would be at the back of the line for payment and would only be paid if there is anything left after the Project pays for annual operating expenses, the annual payment to the bank issuing the conventional loan at 6.8% interest, the tax credit investors earning an approximately 7% return, the Church's one-time \$13.1 million land lease payment, and CCSM's one-time \$3.5 million developer fee.

In the first year of operations, CCSM projects that the Project will generate a total revenue of \$2,046,833, have operating expenses of \$921,948, and have "must pay" loan payments to the project's conventional lender of \$935,742. That leaves \$140,393 remaining that could be used to make an annual loan payment to the City. The anticipated remaining cash that could be used to pay the City an annual loan payment City increases slowly every year to a maximum projection of \$297,709 in Year 15. These cash flows are just projections. If revenue doesn't meet expectations or operating expenses exceed expectations, the project will not break even and the City will not be paid back at all. The City has no control over the project's revenue or operating expenses. In Year 1, if CCSM's revenue is just 6.8% below expected, or if CCSM's operating expense is 15% higher than expected, or if some other equivalent combination of the two metrics are off by lesser amounts, the project will not break even and there will not be excess funds with which to make a loan payment to the City. Affordable housing projects can struggle to have revenues that exceed operating expenses and conventional loan payments. This is why conventional bank lenders insist on being "in first position," meaning they get paid back first. In this case, Culver City would be in the last position.

If the City's \$20 million loan at 3% interest with a 55 year amortization (CCSM's suggested terms for

the City's loan) were a conventional loan, it would require CCSM to make an approximately \$747,000 annual loan payment. For additional comparison, an interest-only loan of \$20 million at 3% would require CCSM to make a \$600,000 annual payment. However, since the loan would be a residual receipts loan, CCSM would not be required to pay the City anything, unless there were cash available at the end of the year after all other expenses were paid. CCSM's current projections anticipate that only \$140,393 will be available to make the City's loan payment in Year 1, after paying its operating expenses and its conventional loan payments. CCSM's projected cash after operating expenses and conventional loan payments increases annually, reaching \$297,709 in Year 15. Comparing the projected cash after operating expenses and conventional loan payments, which ranges from 19% of \$747,000 in Year 1 to 40% of \$747,000 in Year 15, it can be seen that the City can anticipate that the loan will never be repaid in full.

Due to the fact that the lender of a residual receipts loan is in the last position to get paid, historically, the City has observed that residual receipt loans can result in no loan payments for a significant period of time (e.g. 40 years). So, for the purposes of budgeting, a residual receipts loan can be considered the same as a grant. There is no assurance that a residual receipts loan will be paid back. In addition, if the City were to issue a loan, there is no certainty that CCSM would not later request that the City convert the loan to a grant.

CCSM would not be providing the City any collateral for the loan.

CCSM's "Road Map" also suggests an alternative option for the City to provide 93 PBVs for the project. For the reasons discussed above, this is not an option for the City.

CCSM's "Road Map" document references a previous City "voucher commitment" for 93 units that has not occurred. CCHA may not commit to voucher allocation until it has undergone the procedure required by HUD, which includes an analysis of its budget authority and a competitive process. As discussed above, CCHA does not have budget authority for 93 PBV. CCHA has not yet concluded the competitive process for the up to 50 PBV for which there is budget authority.

### ***CCSM Suggestions***

CCSM has provided the City with a list of suggestions that the City could use to recoup its cost for the \$16 million loan. Staff has investigated CCSM's suggestions, and a summary of the analysis is below.

1. "Waiver or deferral of impact fees for the project."

100% affordable housing developments like Jubilo Village are already exempt from the City's development impact fees, including the Mobility Fee, In Lieu Parkland Fee, Affordable Housing Commercial Development Impact Fee, Art in Public Places fee, and New Development Impact Fee.

The City Council could approve waiving or deferring permitting fees for Jubilo Village, which reimburse the City for the cost of staff time necessary to review plans and inspect the project. Permitting fees for Jubilo Village are estimated to total \$2 million, including:

Building Permit Fee = \$800,000

Building Plan Check Fee = \$600,000



MEP Permit Fee = \$350,000

MEP Plan Check Fee = \$250,000

Since fees reimburse the City for the staff time associated with the permitting and inspection process, the impact to the City would be to absorb approximately \$2 million in costs without reimbursement that is normally provided by fees. This would assist Jubilo Village, but it would not result in \$2 million in new revenue to the City to pay back the \$16 million loan.

2. “Establish inclusionary housing program with fee allocations directed towards replenishing City commitments.”

An inclusionary housing program is a program that requires a certain number of affordable units to be included in new residential developments. Some westside cities have inclusionary ordinances with in-lieu fee options whereby developers of smaller projects are allowed to pay a fee instead of including the otherwise required affordable units on site:

- West Hollywood (10 or less total units)
- Santa Monica (5 or less total units)
- Beverly Hills (9 or less total units)

The City currently has an Affordable Housing Commercial Development Impact Fee that was established in January 2022. As described in the Municipal Code Section 15.06.600, the purpose of this fee is to facilitate the development and availability of affordable housing to a range of households with varying income levels within the City through creation and imposition of a fee on new commercial development, which partially funds the need for affordable housing created by the workforce of new commercial development. The fee is \$5 per gross leasable square foot on all non-residential constructions or additions. In Fiscal Year 2023/2024, the fee generated \$878,830, and the fee is expected to generate an additional \$874,540 in Fiscal Year 2024/2025, for a total expected fund balance of \$1.75 million by June 30, 2025. The amount of revenue generated by this fund will vary from year to year, depending on the amount of non-residential construction. The City Council will discuss creation of an Affordable Housing Trust Fund at a future City Council meeting. An Affordable Housing Trust Fund does not generate additional revenue and would require either diversion of an existing revenue source or a new funding source.

3. “Explore Neighborhood Infill and Transit Improvement (NIFTI) districts or other special assessments for affordable housing”

Neighborhood Infill Finance and Transit Improvements Act funding gives cities and counties permission to allow Enhanced Infrastructure Financing Districts to funnel sales and use tax revenues toward affordable housing and supportive transit infrastructure projects. If Culver City were to create a EIFD for Jubilo Village, it would not represent a new funding source. It would simply redirect existing tax revenue by directing it to a certain project. No NIFTIs have been created in California

since the Act was approved in 2017.

4. “Apply for Housing and Community Development (HCD) funds for cities to support affordable housing production”

Culver City’s application for the HCD Pro-housing Incentive Program is currently under review. In the current round, the program is offering a total of \$9.5 million in funding. Grant awards range from \$600,000 - \$1 million per city. In the last funding round, there were 19 awardees, including the following Southern California awardees:

- Santa Monica - \$1,000,000
- West Hollywood - \$750,000
- Brea - \$660,000
- Rancho Cucamonga - \$1,150,000
- Fontana - \$400,000

It is uncertain whether the City would be awarded HCD funding, and if so, what the amount would be. It cannot be expected that the City would ever receive funding from HCD for this project.

5. “Seek funding with Community Corp from state and county sources.”

The City and CCSM continue to seek funding from the State and County. The previous requests for funding for this project over the last two years have been denied. It cannot be expected that the City would ever receive funding from the County or State. Once Culver City guarantees CCSM a loan for this project, there would be little reason for the County or State to provide funding for the Project.

6. “Negotiate with market-rate developers to utilize Jubilo Village units to offset their affordable housing unit requirements”

Staff contacted a representative of several major housing development applications. There is interest in discussing this option once more details/timing are known about Jubilo Village. Staff will put CCSM in touch with the developer representative. The details of how the City would be paid back part or all of the \$16 million through this arrangement are unclear at this time. Until a deal has been reached and the details are clear, it cannot be expected that City would ever receive funding from this arrangement.

7. “Issue a housing bond to support long-term affordable housing financing.”

This is something that could be explored, however, the City would need to identify a source of funding for payment of the bond, or divert existing revenues to pay for the bond. In other words, a bond would not generate funding to reimburse the City for the \$16 million.

8. “Seek CDBG or HOME emergency funding for wildfire victims”

The City could pursue this funding. However, there is not guarantee the funding would be obtained, so it cannot be expected that the City would ever receive funding from CDBG or HOME emergency funding.

### ***Loan Timing***

If the City grants CCSM's loan request, staff recommends that the loan funds are provided only after closing. If the City provides funds sooner than closing, there is no guarantee that the project will move forward, even with the City's loan funds, or that the City will receive back any of the loan amount it provided.

### ***Size of Project in Context***

The 93 units of affordable in Jubilo Village represent 17% of the 538 affordable units currently in Culver City's development pipeline as of January 2025. In addition, they represent the following portion of Culver City's extremely low/very low (50% AMI) and Low (80% AMI) affordable units currently in the development pipeline:

- 69 of the 198 Extremely Low/Very Low Income (50% AMI) units currently in progress (34.8%)
- 24 of the 208 Low Income (80% AMI) units currently in progress (11.5%)

The other affordable units in the pipeline (83% of the affordable units, 65.2% of the extremely low/very low units, and 88.5% of the Low Income units) are developer funded and will come at no cost to the City.

There are at least two other potential Culver City affordable housing projects that have expressed interest in PBVs from Culver City in the future. These include the Entertainment Community Fund project proposed for the City's Virginia Avenue Parking Lot, and a project contemplated by the California Community Foundation. The Entertainment Community Fund applied for PBV during the City's recent RFP, but staff is not recommending awarding its project PBV due to the project not being anticipated to be completed within the required 24 month timeframe. The CCHA Board (i.e. the City Council sitting as the CCHA Board) must provide the final approval of CCSM's selection at a future meeting, which is anticipated to occur in April 2025.

## **FISCAL ANALYSIS**

The fiscal impact of this agenda item depends on City Council's direction and ranges between zero and \$16 million.

At this time, there are insufficient funds in the City's unassigned General Fund balance (from which any potential loan to CCSM would be paid). There is approximately \$2.8 million remaining in the unassigned balance per the Fiscal Year 2024/2025 Midyear Budget Report. To appropriate \$16 million for a loan to CCSM, Council would have to use funds from one of the General Fund Committed Reserves. Per City Council Policy 5002, in order to move funds into the unassigned reserve balance, the City Council would need to authorize the City Manager to move funds from

specific assigned reserves (e.g., Contingency Reserve, Facilities Planning Reserve, Public Safety Equipment Replacement Reserve, which also requires a budget amendment. Note: funds may not be moved from the Recreational Facilities Reserve without an amendment to City Council Policy 5003.

Any budget amendment requires a **four-fifths vote** of the City Council.

### **ATTACHMENTS**

1. 2025-02-24 ATT CCSM Provided "Road Map"
2. 2025-02-24 ATT CCHA Vouchers and Budget Utilization

### **MOTION(S)**

That the City Council:

1. Consider a request from Community Corporation of Santa Monica (CCSM) for \$16 million residual receipts loan from the City for the Jubilo Village affordable housing project; and
2. If CCSM's request is granted, approve a related budget amendment (**requires a four-fifths vote**); and
3. Provide other direction to the City Manager as deemed appropriate.