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**TO:** Honorable Mayor and City Council Members

**FROM:** Ed Lavalley, ICMA-CM, MPA, City Manager

**DATE:** August 17, 2017

**MEETING DATE:** August 22, 2017

**SUBJECT:** Venetian Walk II

**Background:**

At the June 29, 2017 budget workshop, City Council approved to appropriate \$275,000 in fiscal year 2018 to the Venice Housing Authority (VHA) for the Venetian Walk II project. The \$275,000 is budgeted in the General Capital Projects Fund (Fund 301).

Attached is VHA's project summary and funding needs. The VHA is requesting an additional \$275,000 for a total of \$550,000 from the City to fund this project. This action would reduce the estimated September 30, 2018 fund balance to \$247,693 in fund 301.

**Requested Action:**

Council to consider an additional \$275,000 for a total of \$550,000 from Fund 301 and if approved to direct staff to budget the additional \$275,000 in fund 301 in the fiscal year 2018 budget.

Venetian Walk  
445 5553

## Venetian Walk II Project Summary and Funding Needs – City of Venice

### Project Summary

- 2<sup>nd</sup> Phase of Venetian Walk project
- 52 units; family demographic (initial phase serves seniors)
- 48% / 25 units ACC (public housing)
- 10% of units set aside for ELI (extremely low income), 90% set aside for 60% AMI or below

### Financing Summary

• Total development cost	\$11,607,000
• Funding Sources:	
○ Tax credit equity	\$4,046,000
○ SAIL	3,496,000
○ Sarasota County	1,250,000
○ Permanent Loan	1,100,000
○ Venice HA	750,000
○ Deferred developer fee	315,000
○ GAP	<u>650,000</u>
○ TOTAL	\$11,607,000

### Comments Regarding Funding Sources

- \$500,000 of Sarasota County's \$1,250,000 commitment is already spent on existing improvements - infrastructure already installed on the project site. This \$500,000 is at risk because the County has a deadline to commit the funds to a completed project.
- VHA has committed \$750,000 in replacement housing and capital funds from HUD, of which \$130,000 was set to expire in 2017 until VHA was able to secure a one-year extension from HUD. VHA will be at risk of losing this \$130,000 again in 2018 if it is not committed to new housing by then.
- Sarasota County has provided information regarding the City of Sarasota's support for affordable housing projects located within the City of Sarasota, as follows:
  - For the Orange Avenue project, the City of Sarasota contributed: \$1,629,835 and the County contributed: \$2,190,676
  - For the Cohen Way project, the City was the only contributor at: \$2,790,165
  - For the Janie's Garden project, the City contributed: \$1,854,773 and the County contributed: \$3,504,752. An additional \$4,244,299 was pooled from County/City SHIP and NSP funds.