



# Legacy Terrace Update

July 11, 2023



Legacy Terrace – 17 Affordable Senior Housing Units



8<sup>th</sup> Avenue

9<sup>th</sup> Street

# Legacy Terrace

- Senior Living Facility located at 801 9<sup>th</sup> Street in the Liberty District constructed in 2006
- Fourth Street Towers, Inc. was the City's designated Community Housing Development Organization (CHDO) beginning in 1992 (Housing Authority administered the HOME program for the City until 1998)
- As part of the HUD HOME Program, a minimum of 15% of the jurisdiction's entitlement goes to the CHDO annually
- In January 2004, the Community Development Advisory Council (CDAC) reviewed and approved the initial \$350,000 for Fourth Street Towers, Inc. and approved by City Council in June 2004
- HOME funding (\$944,367) in FY05/06/07 was utilized for the facility along with a private loan for a total project cost of \$2.5 million
- There is a 20-year affordability period until the federal grant is forgiven and no pay back of HOME funds is required.

# Legacy Terrace

- Fourth Street Towers, Inc. had collateralized their private loan with eight (8) other properties built and/or rehabilitated in earlier years with CHDO funds
- Fourth Street Towers, Inc. was struggling to meet their financial obligations with only 4 of the 17 units rented
- If the private loan went into foreclosure, the city would have been obligated to return \$1,667,000 to HUD for Legacy Terrace and the eight (8) other properties
- The City acquired Legacy Terrace in 2009 for \$1,000,000 with unanimous approval from City Council due to the HUD HOME obligations (Resolution #088-09)
- The affordability period for Legacy Terrace will end in 2027.

# Legacy Terrace

- The City contracted with the Housing Authority to manage the property (Resolution #129-09)
  - Overall operations and maintenance of the premises
  - Collection of rents
  - Leasing and renewal of existing leases
  - Comply with HOME Program rules and regulations

# Legacy Terrace Reserves

- Excess revenues over expenditures is remitted monthly by the Housing Authority and reserved for Legacy Terrace
- Balance 2009-2019 accumulated to \$323,772.95
- Major repairs in 2019 depleted the reserves to \$80,204.81
- In February 2022, repairs related to termite damage was approved by City Council per Resolution #041-22 for approximately \$91,000
- 2022 Reserves were \$95,854.88
- Actual repairs was \$135,496.
- Current reserve balance is \$112,706.15
- Funding required is \$22,789.85



QUESTIONS