OPERATING AGREEMENT OF VALDEZ SENIOR HOUSING ASSOCIATES, LLC

City Council Meeting
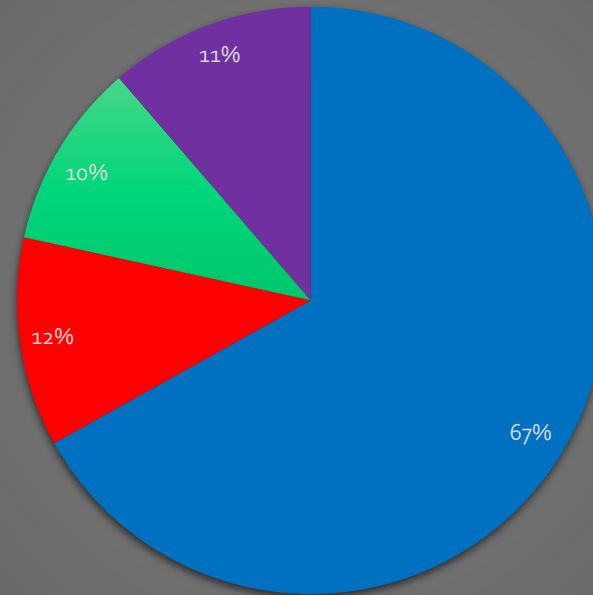
March 21st , 2023

STRUCTURE OF OPERATING AGREEMENT

- **INITIAL OPERATING AGREEMENT COMPRISED OF FOLLOWING:**
  - **NAME** –VALDEZ SENIOR HOUSING ASSOCIATES, LLC
  - **CHARACTER OF BUSINESS**
  - **POWERS**
  - **INITITAL CONTRIBUTION OF MEMBERS**
  - **AMENDMENTS**
  - **LIMITATION ON VALDEZ LIABILITY**

PROJECT FUNDING BREAKDOWN

Sr Housing Development Cost by Source

- 67% Tax Credits
- 12% Perm Debt
- 10% NHTF/GRANT
- 11% City

OTHER CITY CONTRIBUTIONS TO THE PROJECT

- **DEVELOPER INCENTIVES**
  - CITY COUNCIL APPLIED FOR AND RECEIVED $850,000 IN CDBG FUNDS FOR INFRASTRUCTURE RELATED TO SENIOR HOUSING PROJECT.
  - CITY DONATED LAND FOR THE SENIOR HOUSING PROJECT.
  - CITY PROVIDED $10,000 PER UNIT CONTRIBUTION FOR EACH DWELLING BUILT AS PART OF THE SENIOR HOUSING PROJECT (ESTIMATE TO BE 28 UNITS)
  - CITY OF VALDEZ APPLIED FOR RASMUSON FOUNDATION GRANT AND HAS BEEN AWARDED $250,000 TOWARD SENIOR HOUSING PROJECT.

- CITY APPLIED FOR AND RECEIVED $1,000,000 FOR GOAL GRANT FROM ALASKA HOUSING FINANCE CORPORATION (INCLUDES 500K FROM NATIONAL HOUSING TRUST FUND AND SCHDF FUNDS OF 500K).

- CITY WILL CONTRIBUTE $500,000 TOWARD POTENTIAL PROJECT SHORTFALL.

- CITY WILL PAY TO INSTALL WASHERS AND DRYERS IN EACH UNIT AT A COSTS OF $281,500.

- PRIVATE FINANCING TO PAY FOR VAST MAJORITY OF PROJECT PRIMARILY VIA TAX CREDITS.

GOALS, OBJECTIVES & RISKS

- **PLAN VALDEZ GOAL: "PROMOTE, PROTECT, AND BUILD QUALITY HOUSING".**
  - WILL SERVE INCREASING VALDEZ SENIOR POPULATION.
  - WILL PROVIDE QUALITY HOUSING ALTERNATIVE TO SENIORS THAT CAN LEAST AFFORD HOUSING.
  - WILL ADD HOUSING STOCK (WHICH OPENS UP EXISTING HOUSING TO RESIDENTS).
  - LOCATED IN GREAT LOCATION FOR SENIORS NEXT TO SENIOR CENTER & HOSPITAL.
  - THE LOCATION FITS FUTURE LAND USE AND CURRENT ZONING STANDARDS.

- **RISKS:**
  - FEDERAL PROGRAM WITH EXTENSIVE REGULATIONS.
  - MULTI-PARTY AGREEMENT MEANS COMMUNICATIONS BETWEEN GROUPS WILL NEED TO BE ROBUST.
  - CITY RESOURCES, INCLUDING FINANCING AND STAFF TIME WILL BE DEDICATED TO PROJECT.

FLOOR PLAN/DESIGN

SHAWNE MASTRONARDI WILL BE AVAILABLE TO DISCUSS DESIGN AND ANSWER OTHER QUESTIONS.