



COUNCIL/CRA STAFF REPORT

DATE: MARCH 25, 2009 CONSENT CALENDAR

SUBJECT: FUNDING OF 2008-09 LOW AND MODERATE INCOME HOUSING FUND SET-ASIDE

FROM: David H. Ready, City Manager/Executive Director

BY: Thomas Wilson, Assistant City Manager

SUMMARY:

The Health and Safety Code of the State of California (Law), allows redevelopment agencies with more than one project area to satisfy the requirement to set aside 20% of the tax increment revenue from a project area in the Low and Moderate Income Housing Fund using tax increment revenue from another project area. The Community Redevelopment Agency of the City of Palm Springs (Agency) has the ability to use Merged Project Area No. 1 tax increment revenue to make the deposit to the Low and Moderate Income Housing Fund otherwise required by Merged Project Area No. 2 for Fiscal Year 2008-09.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING CERTAIN FINDINGS WITH RESPECT TO THE 2008-09 DEPOSIT TO THE LOW AND MODERATE INCOME HOUSING FUND."
2. Adopt Resolution No. _____, "A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING CERTAIN FINDINGS WITH RESPECT TO THE 2008-09 DEPOSIT TO THE LOW AND MODERATE INCOME HOUSING FUND."
3. Adopt Resolution No. _____, "A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2008-09."

ITEM NO. RA2.

FISCAL IMPACT:

The Agency sets aside 20% of tax increment revenue from Merged Project Area No. 1 and Merged Project Area No. 2 in the Low and Moderate Income Housing Fund. For Fiscal Year 2008-09, such amounts were budgeted to be approximately \$2, 416,000 from Merged Project Area No. 1 and \$1,548,000 from Merged Project Area No. 2.


In order to provide better matching of revenues and expenditures in both project areas for Fiscal Year 2008-09, it is recommended that the Agency fund the Merged Project Area No. 2 share of the required set aside in the Low and Moderate Income Housing Fund from tax increment revenue in Merged Project Area No. 1.

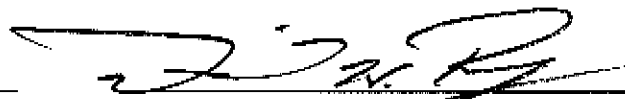
The Agency's Five-Year Implementation Plan described a need to create 458 affordable housing units between 2004-05 and 2013-14, including 142 very-low income units. The Agency has already assisted the Vista Sunrise Special Needs Apartments and Coyote Run II Apartments, resulting in the creation of 146 affordable to low and very low income families.

Additional projects that have been proposed and will require Agency assistance are the Garden Springs Apartments and Las Vegas Road Apartments, both located in Merged Project Area No. 1 and Tahquitz Court Housing and Sahara Mobile Home Park Improvements, both located outside either Merged Project Area No. 1 or Merged Project Area No. 2. Together, these four projects, with Agency subsidy from the Low and Moderate Income Housing Fund, will result in the creation or preservation of 350 affordable units.

The Agency and the City of Palm Springs find that the additional revenue from Merged Project Area No. 1 deposited in the Low and Moderate Income Housing Fund will be of benefit to Merged Project Area No. 1 although it may be spent outside of the project area.

A budget amendment in the amount of \$1,548,000 is required to eliminate the transfer of tax increment funds from Merged Project Area No. 2 to the Low and Moderate Income Housing Fund and to reflect an additional transfer of \$1,548,000 of tax increment funds from Merged Project Area No. 1 to the Low and Moderate Income Housing Fund.


THOMAS WILSON, ASST. CITY MGR.


DAVID H. READY, CITY MANGER

Attachments:
Budget Amendment

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PALM SPRINGS, CALIFORNIA, MAKING CERTAIN
FINDINGS WITH RESPECT TO THE 2008-09 DEPOSIT TO
THE LOW AND MODERATE INCOME HOUSING FUND

The City Council of the City of Palm Springs finds:

A. The Community Redevelopment Agency of the City of Palm Springs (the "Agency") has two project areas, namely, Merged Project Area No. 1 and Merged Project Area No. 2 and that the Redevelopment Plans for Merged Project Area No. 1 and No. 2 recognize that the provision of low and moderate income housing outside of the merged project areas will be of benefit to the merged.

B. Section 33334.3(i) of the Health and Safety Code of the State of California (the "Law") provides that redevelopment agencies with more than one project area may satisfy the requirements of Sections 33334.2 and 33334.6 of the Law by allocating, in any fiscal year, less than 20 percent in one project area, if the difference between the amount allocated and the 20 percent required is instead allocated, in that same fiscal year, to the Low and Moderate Income Housing Fund from tax increment revenues from other project areas.

C. For the fiscal year 2008-09, the Agency desires to satisfy the requirement to deposit 20 percent of tax increment funds from Merged Project Area No. 2 to the Low and Moderate Income Housing Fund by depositing the required amount from tax increment revenues from Merged Project Area No. 1.

D. Prior to allocating additional funds from Merged Project Area No. 1 to the Low and Moderate Income Housing Fund to satisfy the requirement to deposit such amount from Merged Project Area No. 2 tax increment revenues, the Agency shall make the finding that the use of the additional funds deposited will be of benefit to Merged Project Area No. 1.

E. The Agency's Five-Year Implementation Plan described a need to create 458 affordable housing units between 2004-05 and 2013-14, including 142 very-low income units.

F. The Agency has assisted the Vista Sunrise Special Needs Apartments and Coyote Run II Apartments, resulting in the creation of 146 affordable to low and very low income families;

G. Additional affordable housing projects that have been proposed and will require Agency assistance are the Garden Springs Apartments and Las Vegas Road Apartments, both located in Merged Project Area No. 1 and Tahquitz Court Housing and Sahara Mobile Home Park Improvements, both located outside either Merged Project Area No. 1 or Merged Project Area No. 2.

H. The four projects described in Findings F and G of this resolution, which are proposed to be funded in part with an Agency subsidy from the Low and Moderate Income Housing Fund, will result in the creation or preservation of 350 affordable units.

I. The creation or preservation of any of the 350 affordable units outside Merged Project Area No. 1 will be of benefit to Merged Project Area No. 1 and the community and that tax increment revenue deposited in the Low and Moderate Income Housing Fund from Merged Project Area No. 1, which may be spent outside the boundaries of Merged Project Area No. 1, is of benefit to Merged Project Area No. 1.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Springs:

Section 1. Deposit. The City Council concurs and supports the Agency's decision to not make a deposit of tax increment revenue to the Low and Moderate Income Housing Fund for Fiscal Year 2008-09, Merged Project Area No. 2, and that such amounts will be allocated to and deposited from Merged Project Area No. 1 tax increment revenue.

Section 2. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED THIS 25TH DAY OF MARCH, 2009.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on the 25th day of March, 2009 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, MAKING CERTAIN FINDINGS WITH RESPECT TO THE 2008-09 DEPOSIT TO THE LOW AND MODERATE INCOME HOUSING FUND

The Community Redevelopment Agency of the City of Palm Springs finds:

A. The Community Redevelopment Agency of the City of Palm Springs (the "Agency") has two project areas, namely, Merged Project Area No. 1 and Merged Project Area No. 2 and that the Redevelopment Plans for Merged Project Area No. 1 and No. 2 recognize that the provision of low and moderate income housing outside of the merged project areas will be of benefit to the merged.

B. Section 33334.3(i) of the Health and Safety Code of the State of California (the "Law") provides that redevelopment agencies with more than one project area may satisfy the requirements of Sections 33334.2 and 33334.6 of the Law by allocating, in any fiscal year, less than 20 percent in one project area, if the difference between the amount allocated and the 20 percent required is instead allocated, in that same fiscal year, to the Low and Moderate Income Housing Fund from tax increment revenues from other project areas.

C. For the fiscal year 2008-09, the Agency desires to satisfy the requirement to deposit 20 percent of tax increment funds from Merged Project Area No. 2 to the Low and Moderate Income Housing Fund by depositing the required amount from tax increment revenues from Merged Project Area No. 1.

D. Prior to allocating additional funds from Merged Project Area No. 1 to the Low and Moderate Income Housing Fund to satisfy the requirement to deposit such amount from Merged Project Area No. 2 tax increment revenues, the Agency shall make the finding that the use of the additional funds deposited will be of benefit to Merged Project Area No. 1.

E. The Agency's Five-Year Implementation Plan described a need to create 458 affordable housing units between 2004-05 and 2013-14, including 142 very-low income units.

F. The Agency has assisted the Vista Sunrise Special Needs Apartments and Coyote Run II Apartments, resulting in the creation of 146 affordable to low and very low income families;

G. Additional affordable housing projects that have been proposed and will require Agency assistance are the Garden Springs Apartments and Las Vegas Road Apartments, both located in Merged Project Area No. 1 and Tahquitz Court Housing and Sahara Mobile Home Park Improvements, both located outside either Merged Project Area No. 1 or Merged Project Area No. 2.

H. The four projects described in Findings F and G of this resolution, which are proposed to be funded in part with an Agency subsidy from the Low and Moderate Income Housing Fund, will result in the creation or preservation of 350 affordable units.

I. The creation or preservation of any of the 350 affordable units outside Merged Project Area No. 1 will be of benefit to Merged Project Area No. 1 and the community and that tax increment revenue deposited in the Low and Moderate Income Housing Fund from Merged Project Area No. 1, which may be spent outside the boundaries of Merged Project Area No. 1, is of benefit to Merged Project Area No. 1.

NOW, THEREFORE, BE IT RESOLVED by the Community Redevelopment Agency of the City of Palm Springs, as follows:

Section 1. Deposit. For Fiscal Year 2008-09, Merged Project Area No. 2 will not make a deposit of tax increment revenue to the Low and Moderate Income Housing Fund, such amounts to be allocated to and deposited from Merged Project Area No. 1 tax increment revenue.

Section 2. Budget and Appropriate. The Agency's 2008-09 budget is hereby amended eliminate the Merged Project Area No. 2 deposit to the Low and Moderate Income Housing Fund and to provide an offsetting increase of \$1,548,000 in the Merged Project Area No. 1 deposit to the Low and Moderate Income Housing Fund.

Section 3. Effective Date. This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED THIS 25TH DAY OF MARCH, 2009.

David H. Ready, Executive Director

ATTEST:

James Thompson, City Clerk
Assistant Secretary

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the Community Redevelopment Agency of the City of Palm Springs on the 25th day of March, 2009 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California

RESOLUTION NO.

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS, CALIFORNIA, AMENDING THE BUDGET FOR FISCAL YEAR 2008-09.

WHEREAS, Resolution No. 1365 approving the budget for the Fiscal Year 2008-09 was adopted on June 18, 2008; and

WHEREAS, the Executive Director has recommended, and the Agency Board desires to approve, certain amendments to said budget;

NOW THEREFORE BE IT RESOLVED that the Director of Finance is authorized to record inter-fund cash transfers as required in accordance with this Resolution, and that Resolution 1365, adopting the Fiscal Year 2008-09 Budget is hereby amended as follows:

SECTION 1. ADDITIONS

Fund	Activity	Account	Amount
851 Merged Area #1	8201 Central Business District	65021 Area #2 Set-aside Offset	\$ 1,548,000

Purpose: To provide funding for FY 08-09 Merged Area #2 Low/Mod Housing set-aside from Merged Area #1

SECTION 2. SOURCE

Fund	Activity	Account	Amount
851 Merged Area #1		29301 Fund Balance	\$ 1,548,000

ADOPTED this 25th day of March, 2009.

David H. Ready, Executive Director

ATTEST:

James Thompson, Assistant Secretary

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, Assistant Secretary of the Community Redevelopment Agency of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at an adjourned meeting of the Community Redevelopment Agency of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, Assistant Secretary
Community Redevelopment Agency
City of Palm Springs, California