



City Council Staff Report

DATE: July 15, 2009

NEW BUSINESS

SUBJECT: AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIPS PROGRAM FOR THE DEVELOPMENT OF THE VISTA SAN JACINTO APARTMENTS AT 301 ROSA PARKS ROAD IN THE DESERT-HIGHLAND GATEWAY ESTATES NEIGHBORHOOD

FROM: David H. Ready, City Manager

BY: Department of Community & Economic Development

SUMMARY

These actions authorizing the application submittal will be used for the purpose of gap financing for SA Investment LLC, a California limited liability partnership, to fund the associated costs with the development and construction of a 73-unit multi-family residential rental facility to be known as Vista San Jacinto Apartments (the "Project") located on 5.95 acres at 301 Rosa Parks Road in the Desert-Highland Gateway Estates Neighborhood.

RECOMMENDATION:

Approve Resolution No. _____, "AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIPS PROGRAM FOR THE DEVELOPMENT OF THE VISTA SAN JACINTO APARTMENTS AT 301 ROSA PARKS ROAD".

STAFF ANALYSIS:

This project a 73-unit multi-family residential rental facility to be known as Vista San Jacinto Apartments (the "Project") located on a 5.95 acre at 301 Rosa Parks Road. The development will be a mix of one, two, three and four bedroom units and will include typical site amenities such as pool, community/service building, laundry, and tot lots.

ITEM NO. 6.A.

Common to all affordable housing developments, there is a laying to the financing structure utilizing a combination of Low Income Housing Tax Credits (LIHTC) through the California Tax Credit Allocation Committee (TCAC), tax-exempt bond financing authorized through the California Debt Limit Allocation Committee (CDLAC) and construction financing from the California Housing Finance Agency (CalHFA) as well as State HOME dollars.

The City is eligible to apply for up to \$4 million in HOME funds through the State of California for a qualified rental project. The application deadline is August 14, 2009, and all attachments (including the attached Resolution) need to be included. SA Investment financing gap – the amount of funding necessary to build the project without identified source funds – is close to the \$4,000,000 request. The HOME grant, if successful, would cover this gap.

Staff is providing the Council an opportunity to consider applying for the HOME funds to assist the project. Applying for this round of HOME funds could boost the project toward financial viability in the competition for federal housing tax credits and, ultimately, a successful completion.

FISCAL IMPACT:


There is no fiscal impact to the City and issuance of the bonds does not obligate the City financially in any way, nor does it affect the City's bonding capacity for City-funded projects. The bonds would be repaid by CVHC through the rents received from the project.



DALE E. COOK, JR.
Community Development Administrator



THOMAS J. WILSON
Assistant City Manager



DAVID H. READY, Esq. Ph.D.
City Manager

ATTACHMENT:

1. Resolution
2. Vicinity Map

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIPS PROGRAM FOR THE DEVELOPMENT OF THE VISTA SAN JACINTO APARTMENTS AT 301 ROSA PARKS ROAD

WHEREAS, the California Department of Housing and Community Development (the "Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200; and

WHEREAS, on June 1, 2009, the Department issued a 2009 Notice of Funding Availability (the "NOFA") announcing the availability of funds under the HOME program; and

WHEREAS, the City of Palm Springs, a political subdivision of the State of California (the "Applicant") wishes to apply to the Department for, and receive an allocation of HOME funds; and

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. In response to the 2009 NOFA, the City of Palm Springs shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed Four Million Dollars (\$4,000,000) for the development and construction of a low-to-moderate income apartment complex, referred to as Vista San Jacinto Apartments, to be located on 5.95 acres at 301 Rosa Parks Road.

SECTION 2. If the HOME application for funding is approved, then the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statues and regulations cited above. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or

instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents).

SECTION 3. The Applicant authorizes the City Manager, or his designee(s) to execute, in the name of the Applicant, the required documents.

SECTION 4. This resolution shall take effect upon its adoption.

ADOPTED THIS ____ day of July, 2009.

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

CERTIFICATION

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

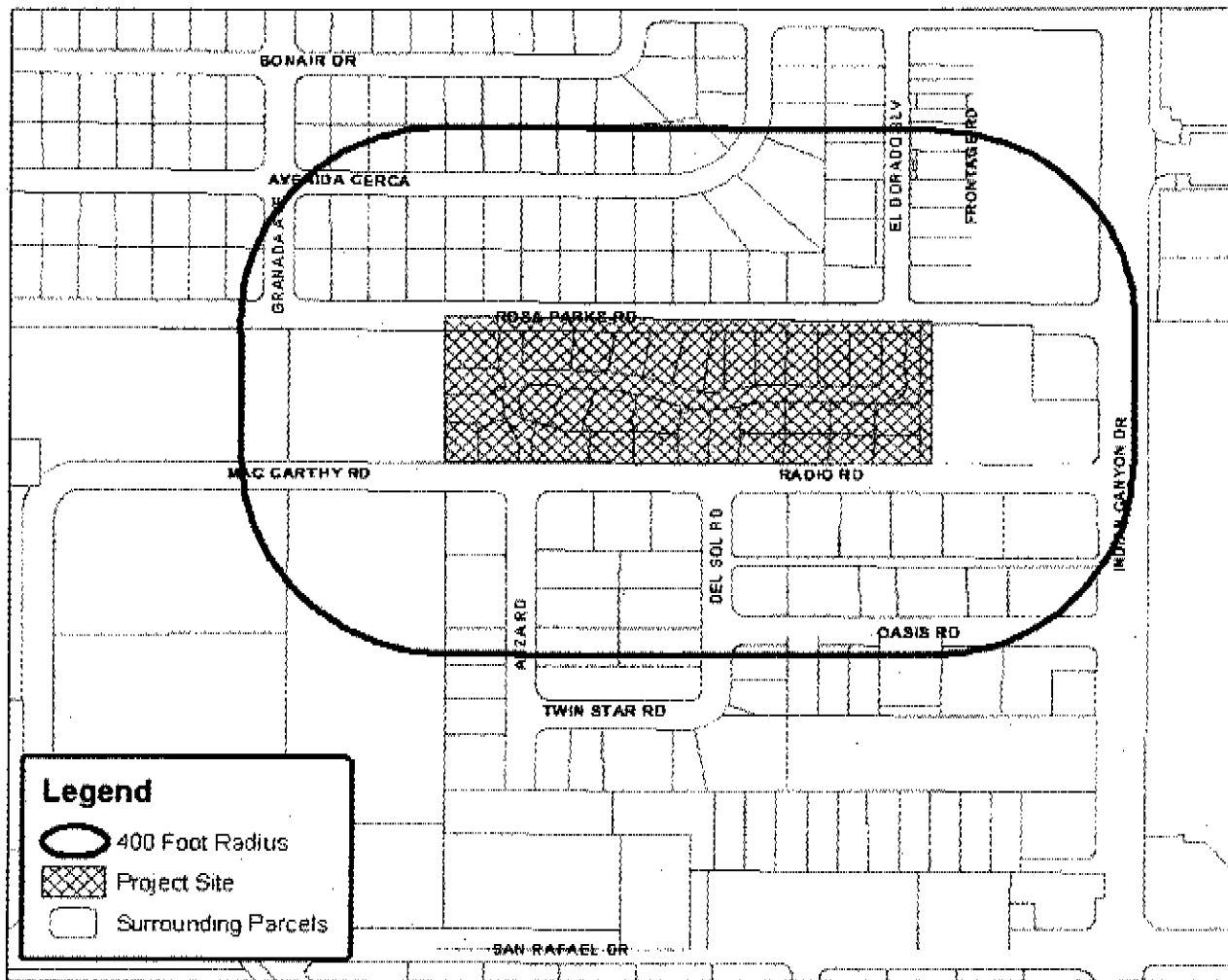
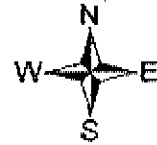
I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. ____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Thompson, City Clerk
City of Palm Springs, California



Department of Planning Services Vicinity Map



CITY OF PALM SPRINGS

CASE NO: 5.1037 AMND
5.1037 PD 309
TTM 33161

APPLICANT: Sherman Las Vegas
Road Housing, LLC

DESCRIPTION: An amendment application by Sherman Las Vegas Road Housing, LLC, to a previously approved PDD, requesting a change from 32 single family units to 73 multi-family low and moderate income rental units and 5 "for sale" single family units on an approximately 5.95 acre parcel at 301 Rosa Parks Road, zoned PDD 309.