



242
City of Las Cruces[®]
 PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 13 Ordinance/Resolution# 10-185 Council District: N/A

For Meeting of January 19, 2010
 (Adoption Date)

TITLE: A RESOLUTION APPROVING COMMITMENT OF PROGRAM YEAR 2010 HOME FUNDS TO _____ FOR A FEDERAL LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT FOR AFFORDABLE HOUSING AT _____.

PURPOSE(S) OF ACTION: Commitment approval of PY 2010 HOME funds for a Federal Low Income Housing Tax Credit project(s) at locations to be determined based on applications submitted and selected by the City Council at the meeting.

Name of Drafter: Jan Lauterbach <i>JL</i>		Department: Community Development <i>JL</i>		Phone: 528-3134	
Department	Signature	Phone	Department	Signature	Phone
Community Development	<i>JL</i>	528-3066	Budget Assistant City Manager	<i>Richard Y...</i>	541-2300
			City Manager	<i>[Signature]</i>	541-2271
Legal	<i>[Signature]</i>	541-2128		<i>[Signature]</i>	541-2076

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: The Cranston-Gonzalez National Affordable Housing Act (NAHA) of 1990 created the HOME Investments Partnerships Program (HOME). The City of Las Cruces, as a recipient of HOME funding, desires to provide funds in accordance with the goals of the City's 2006-2010 Consolidated Plan which outlines affordable housing and community development needs. The Neighborhood Services Section of the Community Development Department advertises its Letter of Intent to apply for funding each program year. For Program Year 2010 staff received Letters of Intent to use HOME funds for two (2) Federal Low Income Housing Tax Credit (LIHTC) projects in Las Cruces.

Based on preliminary information, City staff received two applications from the following applicants for projects and HOME funds requested:

- 1) Supportive Housing Coalition of New Mexico
 Located at: Northwest Corner of Water Street and Griggs Avenue (City-owned El Paso Electric parking lot);
 Funding requested: \$250,000 limit (original request \$500,000), and
- 2) Summit Housing Group Inc.
 Located at: Somewhere on the City's east side of Las Cruces, most likely in either Council District 5 or 6;
 Funding requested: \$250,000 limit (original request \$350,000)

Based on the available HOME funds anticipated for Program Year 2010 (details below), and the amount of funds requested by both applicants, City staff imposed a \$250,000.00 request

limit as part of the applicant's formal application submittal. Regardless of project, the HOME funds will be used as gap financing for the development of the affordable housing complex.

The Federal Low Income Housing Tax Credit (LIHTC) funding process requires that agencies applying for tax credit funding must apply with the New Mexico Mortgage Finance Authority (MFA). In order to secure funding for the projects and meet MFA's LIHTC application deadline, the agencies applying for funding of their projects are requesting a commitment of HOME funds to their projects be made prior to January 31, 2010.

For Program Year 2010, staff anticipates receiving HOME entitlement funds of approximately \$481,000.00 plus an estimated \$45,000.00 in program income. The total estimated amount will be reduced by 10% for administration fees, 15% for the mandatory Community Housing Development Organizations (CHDO) set aside, and 5% for the optional CHDO operating leaving a balance of approximately \$374,950.00 to fund non-CHDO activities or \$453,850.00 to fund both CHDO and non-CHDO activities.

The breakdown of estimated calculations is:

Estimated Entitlement = \$481,000.00	Program Income = \$45,000.00	Total = \$526,000.00
HOME Admin. Fees (10% of Entitlement Amt.)		= \$ 48,100.00
CHDO Operating (5% of Entitlement Amt.)		= \$ 24,050.00
CHDO Set Aside (15% of Entitlement Amt. + Program Income)		= \$ 78,900.00
Amount available for Non-CHDO activities		= \$374,950.00
Amount available for all activities (\$374,950.00 + \$78,900.00)		= \$453,850.00

Based on the preliminary review of the requests and anticipated entitlement amount, staff is in the position to recommend to Council to support a request for an amount not to exceed \$250,000.00 for one of the proposed LIHTC projects. Staff will make a formal recommendation to the specific project and actual funding amount as part of the City Council's consideration of the proposed Resolution. The City Council may also opt not to recommend either of the projects for HOME funding in Program Year 2010.

SUPPORT INFORMATION:

Fund Name / Account Number	Amount of Expenditure	Budget Amount
N/A	N/A	N/A

1. Proposed Resolution

OPTIONS / ALTERNATIVES:

1. Vote YES and modify the Resolution, prior to approval, authorizing commitment of PY 2010 HOME funds to a to-be-identified LIHTC project for the development of a multi-family rental housing complex. The specific LIHTC project will have to be decided by Council at the meeting and the Resolution amended according to the Council's direction.

2. Vote NO and deny the Resolution authorizing the commitment of PY 2010 HOME funds to any of the LIHTC projects for the development of a multi-family rental housing complex.
3. Table/Postpone the Resolution and direct staff accordingly. Tabling/postponing the Resolution may impact the ability of the LIHTC projects to meet MFA's application deadline of January 31, 2010.

RESOLUTION NO. 10-185

A RESOLUTION APPROVING COMMITMENT OF PROGRAM YEAR 2010 HOME FUNDS TO _____ FOR A FEDERAL LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT FOR AFFORDABLE HOUSING AT _____.

The City Council is informed that:

WHEREAS, the Cranston-Gonzalez National Affordable Housing Act (NAHA) of 1990 created the HOME Investments partnerships Program (HOME); and

WHEREAS, the City of Las Cruces, as a recipient of HOME funding, desires to provide funding in accordance with the goals of the City's 2006-2010 Consolidated Plan which outlines affordable housing and community development needs; and

WHEREAS, the City of Las Cruces has received Letters of Intent to apply for PY 2010 HOME funding for Federal Low Income Housing Tax Credit (LIHTC) projects for the development of a multi-family affordable housing rental complex from both the Supportive Housing Coalition of New Mexico and Summit Housing Group, Inc.; and

WHEREAS, the City of Las Cruces may desire to commit anticipated PY 2010 HOME funding to either one or both of the proposed LIHTC projects, thus enabling them to secure financing for the project and meet the Tax Credit application deadline with the New Mexico Mortgage Finance Authority (MFA); and

WHEREAS, the City of Las Cruces may desire to not commit any part of the anticipated PY 2010 HOME funding to either one or both of the proposed LIHTC projects, and

WHEREAS, in order to comply with the regulatory requirements of the HOME Investment Partnerships Program (HOME), the City must execute an agreement with either one of the selected projects, if any, when anticipated funding is released at a future date.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces hereby commits future PY 2010 HOME funds to _____ for the LIHTC project for the development of a multi-family affordable housing complex at _____.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE and APPROVED this _____ day of _____, 2010.

APPROVED:

(SEAL)

Mayor

ATTEST:

VOTE:

City Clerk

Mayor Miyagishima: _____

Councillor Silva: _____

Moved by: _____

Councillor Connor: _____

Councillor Pedroza: _____

Seconded by: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____

APPROVED AS TO FORM:



City Attorney