

City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 4Ordinance/Resolution# 15-135For Meeting of _____
(Ordinance First Reading Date)For Meeting of January 20, 2015
(Adoption Date)

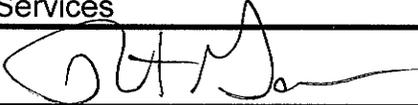
Please check box that applies to this item:

 QUASI JUDICIAL LEGISLATIVE ADMINISTRATIVE

TITLE: A RESOLUTION APPROVING THE ALLOCATION OF PROGRAM YEAR (PY) 2015 HOME FUNDS TO A FEDERAL LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT FOR AN AFFORDABLE MULTI-FAMILY HOUSING REHABILITATION AND NEW DEVELOPMENT PROJECT.

PURPOSE(S) OF ACTION:

Approve commitment for allocation of funds.

COUNCIL DISTRICT: 3		
<u>Drafter/Staff Contact:</u> Jan Lauterbach	<u>Department/Section:</u> Community Development / Planning & Neighborhood Services	<u>Phone:</u> 528-3134
<u>City Manager Signature:</u>		

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 in the City's 2011-2015 Consolidated Plan which outlines affordable housing and community development needs. The Housing and Neighborhood Services section of the Community Development Department advertised its Letter of Intent for agencies to apply for funding for Program Year 2015 (City Fiscal Year 2016) and is recommending a tax credit project for funding.

The LIHTC HOME application, submitted by Mesilla Valley Public Housing Authority, as Sole Member of the General Partner of West Wind Terrace Limited Liability Limited Partnership, for the rehabilitation of 20 units at the Pecos Apartments located at 1310 Pecos Street and acquisition and demolition of storage units at 1300 and 1320 Pecos Street in order to construct an additional 40 new multi-family affordable housing units. The proposed project, West Wind Terrace Apartments, will consist of a total of 60 units to include 6 one-bedroom, 42 two-bedroom, and 12 three-bedroom affordable housing units.

The HOME funds requested will be used for acquisition and construction costs, including appraisals, soil tests, and construction gap financing for the development of multi-family affordable housing project units.

The LIHTC funding process requires that agencies must apply with the New Mexico Mortgage Finance Authority (MFA) to be eligible for tax credit funding. In order to meet MFA's LIHTC application deadline, agencies are requesting an allocation of HOME funds from the City be made prior to January 31, 2015.

Based on a review of the application requests and anticipated funds, the following is an ordered list of staff's recommendation to Council:

1. Staff recommends their support to Council for the request of PY 2015 HOME funds in the amount of \$200,000.00 for the LIHTC project West Wind Terrace, proposed by Mesilla Valley Public Housing Authority (MVPHA). This recommendation to provide an allocation of HOME funds is subject to the project being included in the initial LIHTC allocation pool by MFA. Staff supports MVPHA's proposed project because:
 - a) It rehabilitates an existing multi-family structure in addition to providing new structures; and
 - b) 100% of the new and rehabilitated units will be allocated to low- and moderate-income families.
2. If the project is not included in MFA's initial allocation pool, City staff will pursue other projects for submission to City Council as part of the PY 2015 Action Plan approval process (May 2015).

SUPPORT INFORMATION:

1. Resolution.

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input type="checkbox"/>	See fund summary below
	No	<input checked="" type="checkbox"/>	If No, then check one below:
	Budget Adjustment Attached *	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue?	Yes	<input checked="" type="checkbox"/>	Funds will be deposited into this fund: <u>2000</u> in the amount of <u>\$200,000.00</u> for FY 2016.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

*This is to allocate a future award of HOME funds that are to be available to the City for FY2016. Action taken through this Resolution has no impact to the current City FY2015 budget. The FY2016 budget will reflect any actions authorized by Council in this Resolution.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this action will approve the Resolution authorizing the allocation of PY 2015 HOME funds in the amount of \$200,000.00 for the West Wind Terrace Project proposed by Mesilla Valley Public Housing Authority (MVPHA).
2. Vote "No"; this will deny the Resolution authorizing the allocation of PY 2015 HOME funds to a LIHTC project for rehabilitation and new development of a multi-family rental housing complex.
3. Vote to "Amend"; possible options to Council which would require an amendment to the proposed Resolution may include funding the project at a lesser amount than requested or fund another or additional project.
4. Vote to "Table"; this action would prevent the proposed project(s) from receiving an allocation of HOME funds from the City in time for their LIHTC application deadline to the Mortgage Finance Authority.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

RESOLUTION NO. 15-135**A RESOLUTION APPROVING THE ALLOCATION OF PROGRAM YEAR (PY) 2015 HOME FUNDS TO A FEDERAL LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT FOR AN AFFORDABLE MULTI-FAMILY HOUSING REHABILITATION AND NEW DEVELOPMENT PROJECT.**

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 2011-2015 Consolidated Plan which outlines affordable housing and community development needs; and

WHEREAS, the City of Las Cruces has received two (2) applications for PY 2015 HOME funding including one (1) submitted by Mesilla Valley Public Housing Authority for West Wind Terrace, a Federal Low Income Housing Tax Credit (LIHTC) rehabilitation project of 20 units located at 1310 Pecos St. which will include new construction of additional 40 units at 1300 and 1320 Pecos that will provide for a project total of 60 affordable housing rental units for low-income families; and

WHEREAS, the City of Las Cruces desires to allocate anticipated PY 2015 HOME funding in the amount of \$200,000.00 requested by the Mesilla Valley Public Housing Authority (MVPHA), provided their project is included in the initial allocation pool for tax credit funding by the Mortgage Finance Authority (MFA); and

WHEREAS, if the MVPHA project is not awarded tax credit funding through MFA, City staff will pursue other projects for submission to City Council as part of the PY 2015 Action Plan approval process (May 4, 2015); and

WHEREAS, approval of the Resolution, as written, allocating HOME funds to a

tax credit project enables the agency submitting a tax credit application and financing for their project to meet the tax credit application deadline with the New Mexico Mortgage Finance Authority (MFA); and

WHEREAS, in order to comply with the regulatory requirements of the HOME Investment Partnerships Program (HOME), the City must execute an agreement with Mesilla Valley Public Housing Authority when anticipated funding is released at a future date or pursue future funding opportunities.

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

(I)

THAT the City of Las Cruces hereby allocates \$200,000.00 of future PY 2015 HOME funds to the LIHTC project West Wind Terrace, proposed by Mesilla Valley Public Housing Authority (MVPHA), which is subject to the project being included in the initial LIHTC allocation pool by MFA.

(II)

THAT the Assistant City Manager/Chief Operating Officer, as the official representative of the City, is hereby authorized to sign all allocation documents on the City's behalf as it relates to this Resolution.

(III)

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

DONE AND APPROVED this _____ day of _____, 2015.

APPROVED:

Mayor

ATTEST:

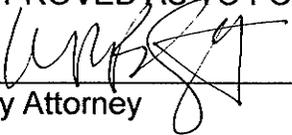
City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Smith: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Levatino: _____



COUNCIL ACTION AND EXECUTIVE SUMMARY PACKET ROUTING SLIP

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of January 20, 2015
(Adoption Date)

TITLE:

A RESOLUTION APPROVING THE ALLOCATION OF PROGRAM YEAR (PY) 2015 HOME FUNDS TO A FEDERAL LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECT FOR AN AFFORDABLE MULTI-FAMILY HOUSING REHABILITATION AND NEW DEVELOPMENT PROJECT.

Purchasing Manager's Request to Contract (PMRC) {Required?} Yes No

DEPARTMENT	SIGNATURE	PHONE NO.	DATE
Drafter/Staff Contact	<i>[Signature]</i>	528-3134	12/18/14
Department Director	<i>[Signature]</i>	528-3067	12-22-14
Other			
Assistant City Manager /CAO	<i>[Signature]</i>	2078	12/20/14
Management & Budget Manager	<i>[Signature]</i>	541-2106	12-22-14
Assistant City Manager/COO	<i>[Signature]</i>	-2271	12/23/14
City Attorney	<i>[Signature]</i>	EXT 2128	30 Dec 2014
City Clerk	<i>[Signature]</i>	x2115	1/8/15