



# City of La Quinta

**HOUSING COMMISSION MEETING DATE:** NOVEMBER 06, 2013

**REPORTS AND INFORMATIONAL ITEM NO. 1 TITLE:**

STATUS UPDATE ON CITY HOUSING PROGRAMS

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**RECOMMENDED ACTION:**

Informational item, no action is necessary.

**BACKGROUND/ANALYSIS:**

The following is a status update of the La Quinta Housing Authority's (Authority) projects, programs, or services currently underway or related to the City's efforts to promote affordable housing.

**AFFORDABLE HOUSING PROJECTS**

The Authority is currently overseeing the construction of two affordable housing projects: Washington Street Apartments Rehabilitation project and Coral Mountain Apartments.

**Washington Street Apartments:**

Washington Street Apartments ("WSA") consists of 72 existing affordable/senior-housing units and 6.8 acres of additional vacant land proposed for future expansion. Existing units are restricted to very-low income seniors and disabled adults; rent subsidy assistance is provided by the United States Department of Agriculture Rural Development. The Authority intends to proceed with several improvements to the WSA project:

- Rehabilitate the existing 72 units
- Add an additional 26 senior/affordable units to the original site
- Construct new common buildings and amenities
- Construct 42 new senior/affordable housing units in the undeveloped 6.8 acres

Upon completion, the project will consist of 72 rehabilitated units, 68 new units, and multiple common buildings and areas providing a variety of amenities. To date, all entitlements on the existing 72 units and the construction of the 68 new units have been reviewed by the Authority and approved by the Planning Commission.

The original project funding source for the improvements included \$3,006,360 from a 2004 tax-exempt housing bond and \$15,523,220 from a 2011 taxable housing bond. However, funding has been placed on hold due to the pending State Department of Finance approval to use the 2011 taxable housing bond proceeds. In the event that the Department of Finance does not approve the Authority's use of the 2011 taxable housing bonds, alternative sources of financing will be sought. In the meantime, the remainder of the 2004 proceeds will be utilized to fund certain improvements, such as utility undergrounding along Washington Street in an effort to move the project forward.

#### Coral Mountain Apartments:

Coral Mountain Apartments is an affordable housing complex located east of Dune Palms and south of Highway 111 (adjacent to Costco). The project consists of One Hundred and Seventy Six (176) units; clubhouse and pool area; photovoltaic solar energy system; a playground featuring a multi-level play structure, soft surface pad, and water fountain spray pad; a basketball court; multiple BBQ areas; and winding pathways throughout the site.

The clubhouse and model units are scheduled to be completed and open to the public in January 2014. The project is scheduled to be completed and ready for occupancy by the beginning of March 2014.

### **CURRENT HOUSING AUTHORITY INVENTORY**

The Authority currently holds approximately 419 silent second trust deeds, which are part of the previous La Quinta Redevelopment Agency (LQRDA) "Silent Second" program. The prior LQRDA program, provided loans to very low, low, and moderate income households to allow for home ownership. The silent second trust deed funded the gap between an affordable home loan and the market price of the home. The current silent seconds held by the Authority place a 45-year affordability covenant on the home, requiring the home to be re-sold to an income qualified buyer. The "Silent Second" program is currently not available to first-time homebuyers, due to lack of funding.

### **RECENT HOUSING AUTHORITY ACTIONS**

Housing Compliance and Monitoring Services

On June 18, 2013, City Council approved a Professional Services Agreement with Becky Caha for housing compliance and monitoring services related to the Authority's 419 silent second trust deeds.

- Contract Amount: \$55,275.00
- Term: 07/01/2013 thru 06/30/2014

Report prepared by: Carla Triplett, Housing Coordinator

Report approved for submission by: Les Johnson,  
Community Development Director