



SUPPLEMENTAL

COUNCIL AGENDA: 6-29-04
ITEM: 10.2

Memorandum

TO: HONORABLE MAYOR AND CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Del D. Borgsdorf
Harry S. Mavrogenes

SUBJECT: SEE BELOW

DATE: June 24, 2004

COUNCIL DISTRICT: 3
SNI AREA: Delmas Park
& University

SUBJECT: FUNDING COMMITMENTS TO CORE DEVELOPMENT INC., OR ITS AFFILIATE OR ASSIGNEE, FOR THE CONSTRUCTION AND PERMANENT FINANCING OF THE DELMAS PARK APARTMENTS PROJECT AND TO EMERGENCY HOUSING CONSORTIUM FOR THE OUR HOUSE PROJECT - SUPPLEMENTAL REPORT

REASON FOR SUPPLEMENTAL REPORT

As indicated in the body of the June 14, 2004, joint staff report to the City Council and Redevelopment Agency Board on this item, the proposed \$2,500,000 of Redevelopment Agency funding for the two subject projects will be transferred to the Housing Department for disbursement to the developers. However, the actions recommended to the City Council and Agency Board did not include approval for the Housing Department to make grants of these funds to the developers of the two projects. This Supplemental Report corrects that oversight.

RECOMMENDATION

1. It is recommended that the City Council:
 - a. Adopt a resolution making a loan commitment of up to \$7,206,605 and grant commitment of up to \$1,500,000 to CORE Development Inc., or its designated affiliate entity or assignee, for construction and permanent financing of the 123-unit Delmas Park Apartments project, located at the southeast corner of West San Carlos Street and Bird Avenue and to be made affordable to extremely low-, very low- and low-income households.
 - b. Adopt a resolution making an additional grant commitment of up to \$1,000,000 to Emergency Housing Consortium for construction and permanent financing of the Our House project, located at the northeast corner of South Third and William Streets, and to be made affordable to extremely low-income individuals.

June 24, 2004

**Subject: FUNDING FOR THE DELMAS PARK APARTMENTS AND OUR HOUSE PROJECTS –
SUPPLEMENTAL REPORT**

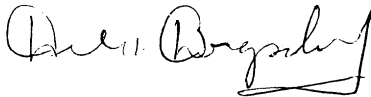
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2. It is recommended that the Agency Board adopt resolutions:
 - a. Approving the shift of \$2,500,000 from FY 2004-2005 to FY 2003-2004 in the 20% Supplement (Allowance) project line in the Merged Redevelopment Area, as detailed on Attachment B; and
 - b. Amending the FY 2003-2004 Agency appropriations resolution, as detailed on Attachment B.

ANALYSIS

The changes recommended in this report will implement the intended funding strategies and transactions previously outlined in the June 14, 2004, report to the Council and Board.

All other sections of the report to the City Council dated June 14, 2004, remain unchanged.



DEL D. BORGS DORF
City Manager



HARRY S. MAVROGENES
Interim Executive Director