

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: October 14, 2010**

**SUBJECT:** Development Agreement for View Point Senior Community

**SUBMITTING DEPARTMENT:** Community Development

**PREPARED BY:** Joe Scott, Planner for Richard Parker, Community Development Director

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** a) Location Map b) Resolution No.1719 (w/ draft Development Agreement) and exhibits.

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**SUMMARY/BACKGROUND:** In 2003, the Town of Prescott Valley entered into an agreement with the Arizona Department of Housing for technical assistance in order to draft an Affordable Housing Strategy that would complement the Prescott Valley *General Plan 2020*. The Housing Strategy was prompted from General Plan Land Use Goal #A7, which states that the Town shall provide for a fully balanced residential mix, which includes:

1. A wide range of housing by location, type of unit, and price;
2. Housing to accommodate various income levels, family size, age and physical restraints and;
3. Housing that addresses both owner and renter households.

Future housing-related goals in the General Plan include:

1. Zoning sufficient buildable land for residential development to accommodate Prescott Valley's share of regional household growth;
2. Enforcing fair housing laws prohibiting arbitrary discrimination in the sale or rental of housing with regard to race, color, religion, natural origin, sex, familial status, and handicap; and
3. Locating affordable housing close to employment centers, including housing for seasonal workers.

WESCAP Investments, Inc. ("WESCAP") has completed the five (5) affordable/work-force housing developments in the Town of Prescott Valley (the "TOWN"): Valley View Apartments, Phases I, II and III, totaling two hundred twenty-four (224) units, and Sungate Villa Senior Community Phases I and II, totaling one hundred eighteen (118) units. All of the projects are built and occupied except Sungate Villa Phase II that recently received a Certificate of Occupancy. All of the projects were made possible through the Low Income Housing Tax Credit (LIHTC) Program as administered by the Arizona Department of Housing.

The recent financing meltdown made financing challenging for any real estate development, including tax credit projects. As such, WESCAP previously proposed to make Sungate Villa Senior Community Phase II as appealing as possible to lenders and equity investors. One of the ways to enhance the financial viability of the Project was to defer the payment of the Town's impact and capacity fees until the project was ready for occupancy. The delayed payment put less strain on the development budget up-front, which was more appealing to lenders and equity investors (the purchasers of the tax credits). The Town Council adopted Resolution No. 1643 approving a Development Agreement to defer the fees for Sungate Villas Phase

II on April 23, 2009 in that it was consistent with the goals of *General Plan 2020* and the Affordable Housing Strategy. Sungate II is now about ready for occupancy.

WESCAP has now completed the planning process for a new affordable/work-force housing development called the View Point Senior Community Phases I and II. Rezoning for the subject property along with a Preliminary Development Plan was approved by Ordinance No. 733 on June 25, 2009. On March 8, 2010 the Planning and Zoning Commission approved a revised Preliminary Development Plan (PDP10-001) for the present configuration of the View Point Senior Community Phases I and II comprising one hundred two (102) apartments on the subject five (5) acres located west of the existing Sungate Senior Community and east of the new Viewpoint Drive extension from Long Look Drive to Civic Circle. The primary source of funding for the View Point project is also the highly successful federal housing tax credit program. WESCAP has reported that they will be ready to submit for building permits by the end of October of 2010, and has submitted a Final Development Plan (FDP10-008) for the project.

As with the Sungate Villas Phase II, WESCAP has proposed to make the View Point Senior Community (the "Project") as appealing as possible to lenders (the purchasers of the tax credits) and is again requesting the Town to defer the payment of the Town's impact and capacity fees through a Development Agreement between WESCAP and the Town. The Community Development Department has provided calculations of the Town's impact, capacity and resource fees (the "Fees") for development of the View Point Senior Community Phases I and II (Attachment "A" in attached Resolution). Approval of the Development Agreement will defer the fees until the issuance of a Certificate of Occupancy. Adoption of a Development Agreement to achieve this objective is consistent with the goals of *General Plan 2020* and the Affordable Housing Strategy.

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**OPTIONS ANALYSIS:** The Town Council may approve Resolution No. 1719 approving the Development Agreement for the View Point Senior Community Phases I and II as drafted, suggest revisions, or decline to approve Resolution No 1719.

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**ACTION OPTION:** Motion to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1719 approving a Development Agreement with View Point Senior Community Phases I and II for the Project, **OR** Motion not to approve Resolution No. 1719. **VOTE.**

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**RECOMMENDATION:** Staff recommends approval of Resolution No.1719 related to a Development Agreement with View Point Senior Community Phases I and II.

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**FISCAL ANALYSIS:** Development of this project will provide desired low income housing and direct one-time transaction privilege tax revenues to the Town through construction. It will also provide needed construction employment for citizens in the area.

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved  Denied  Tabled/Deferred  Assigned  Assigned to \_\_\_\_\_