

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: October 28, 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:** WESCAP Investments, Inc. (“WESCAP”) has completed five (5) affordable/work-force housing developments in the Town of Prescott Valley: Valley View Apartments, Phases I, II and III (totaling 224 units), and Sungate Villa Senior Community Phases I and II (totaling 118 units). All of the projects are now occupied except Sungate Villa Phase II. These projects were made possible through the Low Income Housing Tax Credit (LIHTC) Program administered by the Arizona Department of Housing.

The recent financing meltdown has made financing challenging for any real estate development, including tax credit projects. For that reason, WESCAP previously approached the Town about making Sungate Villa Phase II as appealing as possible to lenders and equity investors by deferring payment of the Town’s development impact fees (specifically authorized by ARS §9-463.05(B)(3)) and its utility system capacity fees, until the project was ready for occupancy. The delayed payment would put less strain on the development budget up-front and make it more appealing to the lenders and equity investors. The Town Council agreed and adopted Resolution No. 1643 on April 23, 2009 approving a Development Agreement to defer collection of said fees until the project was ready for occupancy.

WESCAP has now completed planning for another affordable/work-force housing development called the View Point Senior Community, Phases I and II. Rezoning for this project (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 comprising one hundred two (102) apartments on 5 acres located west of the existing Sungate Senior Community and east of the new Viewpoint Drive extension. On October 14, 2010, a Final Development plan for the project (FDP 10-008) was approved by adoption of Resolution No. 1717. The primary source of funding is again the LIHTC Program.

WESCAP is again proposing to make the View Point Phase I as appealing as possible to lenders and equity investors by having payment of the Town’s development impact fees and utility system capacity fees deferred until occupancy, based on a Development Agreement. The Community Development Department has provided calculations of the applicable development impact, and utility system capacity fees as an Attachment to the Development Agreement. Staff urges adoption of this Agreement, which is consistent with the goals of *General Plan 2020* and the Town’s Affordable Housing Strategy.

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**OPTIONS ANALYSIS:** The Town Council may approve Resolution No. 1719 approving a Development Agreement for the View Point Senior Community Phase I, as drafted, OR suggest revisions prior to adoption, 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 deferring collection of specified development fees for the View Point Senior Community Phase I Project, **OR** Motion not to approve Resolution No. 1719. **VOTE.**

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**RECOMMENDATION:** Staff recommends approving signature of Resolution No.1719 adopting a Development Agreement for View Point Senior Community Phase I.

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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 \_\_\_\_\_