Resolution No. 04-0583

STOCKTON CITY COUNCIL

RESOLUTION 1) APPROVING A $600,000 AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) LOAN BETWEEN THE CITY OF STOCKTON AND DIAMOND COVE II ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, WITH ACLC, INC. AS THE GENERAL PARTNER, FOR ADDITIONAL CONSTRUCTION COSTS FOR THE DIAMOND COVE II PROJECT AND 2) AUTHORIZE THE CITY MANAGER TO MAKE ANY NECESSARY ADMINISTRATIVE CHANGES AND TO EXECUTE THE DOCUMENTS REQUIRED TO IMPLEMENT COUNCIL DIRECTION

WHEREAS, the Carrington Circle and Access Street neighborhood has been the focus of neighborhood revitalization efforts by a number of City departments, other agencies and ACLC, Inc.; and

WHEREAS, as part of the revitalization of this neighborhood ACLC has been successful in acquiring several properties within this area and is in the process of rehabilitating ten duplex units and constructing a 20-unit apartment complex with a combined daycare and community resource center; and

WHEREAS, ACLC, Inc. is the General Partner for Diamond Cove II Associates, a California Limited Partnership; and

WHEREAS, Diamond Cove II Associates applied for and was successfully awarded 9 percent low-income housing tax credits in the amount of $8.4 million in September 2003 to rehabilitate and construct these units; and

WHEREAS, the funding plan for the rehabilitation and construction is in place; and

WHEREAS, since the time of project inception, the bids for the drywall, stucco, fire sprinkler system and framing for this project increased by 42 percent because of major increases in labor, insurance and material costs causing a $600,000 shortfall; and

WHEREAS, this project has an existing $120,000 CDBG loan; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. That the City of Stockton hereby approves the amendment to the existing Community Development Block Grant (CDBG) loan between the City of Stockton and Diamond Cove II Associates, a California Limited...
Partnership, with ACLC, Inc., as the General partner, for an additional $600,000 of CDBG funds for the Diamond Cove II project.

2. That the City manager is hereby authorized and directed to make any necessary administrative changes and to execute the necessary documents required to implement Council direction.

PASSED, APPROVED and ADOPTED ________________ JUL 27 2004

GARY A. PODESTA, Mayor
of the City of Stockton

ATTEST:

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton