

# Pacific Rim Development Company

29160 Heathercliff Road | Suite 411 | Malibu CA 90265

T: 424.234.5555 | F: 424.234.5467

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Armando Ornelas  
City Planner  
City of Sparks  
Community Development  
1675 E. Prater Way, Suite 107  
Sparks, NV 89434

RE: City of Sparks Resolution in Support of the Rehabilitation of Marina Gardens Apartments

Dear Mr. Ornelas:

On behalf of Pacific Rim Development Company, I am submitting this request for a Resolution of Support for the Rehabilitation of Marina Gardens Apartments from the Sparks City Council. Marina Gardens apartments entail the acquisition and rehabilitation of an existing 200-unit family development located at 550 Howard Drive in Sparks. We are proposing to finance the project with State of Nevada tax-exempt bonds and 4% Low Income Housing Tax Credits (LIHTC). We do not anticipate seeking local US Department of Housing HOME funds or a property-tax exemption.

Upon financing, we will use the proceeds to rehabilitate the property listed. The main goals of the rehabilitation are to:

- Secure this important housing resource with affordability restrictions for a minimum of 30 years;
- Modernize units by installing new appliances, countertops, paint, flooring, fixtures, door and window treatments;
- Reduce energy consumption at the development and lower utility costs for tenants and owner; and
- Increase marketability of the development and provide improved amenities to the residents by repairing deferred maintenance items, modernizing building exteriors, and improving common areas, including the addition of a community room.

The total estimated development cost is approximately \$23.8 million. Based on the current project budget, it is anticipated that there will be approximately \$23,500 in hard construction costs invested per unit. Through the use of 4% LIHTC, the project will leverage slightly over \$7 million in equity investment and, as part of the project, Pacific Rim Development Company is also deferring a portion of its developer fee.

Upon completion, the properties will be available to households with incomes at or below 60% of HUD's area median income adjusted for family size. The properties will be maintained as affordable housing for 30-years. It is anticipated that at least 80% of the current tenants will continue to qualify to reside at the properties.

As part of our application to the State of Nevada Housing Division for tax-exempt bond financing, we are requesting a resolution indicating jurisdictional support for this project. Typically, applicants would request 50% of the needed tax-exempt bond financing from the local jurisdiction within which the project is located and 50% of the needed tax-exempt bond financing from the State of Nevada Housing Division. The allocation of local bond cap would provide evidence to the State of the City's support for the project. However, as the City of Sparks has already returned its bond cap to the Housing Division, we are seeking the requested resolution instead to demonstrate that the City is still supportive of this effort.

I have enclosed more detailed information on the project and financing for your reference. If you have any questions or would like to further discuss this project, please feel free to contact me at 424-234-5565. You can also contact Rex Massey, our local representative at 775-772-6923.

Sincerely,



Jack Riley  
President  
Pacific Rim Development Company