



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

GROWTH MANAGEMENT

300 Sixth Street
Rapid City, SD 57701

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MEMORANDUM

TO: Public Works

FROM: Barbara Garcia, Community Development Specialist

DATE: May 10, 2005

RE: City Council Approval of a Local Governing Body Support Letter for a Developer Applying for HOME and/or Housing Tax Credits From South Dakota Housing Development Authority.

Attached please find a request from Gandolf Group, LLC for an approval letter for an affordable housing project know as Gemstone Estates. Gandolf Group, LLC has submitted an application to South Dakota Housing Development Authority for Housing Tax Credits and/or HOME funds.

South Dakota Housing requires confirmation of support for the project by the local governing body. If Council wishes to approve the request, they should also authorize the Mayor's signature on the attached letter.



EQUAL OPPORTUNITY EMPLOYER



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

Office of the Mayor

300 Sixth Street

605-394-4110

Fax: 605-394-6793

E-mail: mayor@rcgov.org

May 10, 2005

I, Jim Shaw, Mayor of the City of Rapid City, South Dakota, am writing on behalf of the Rapid City Council in support of the following proposed development:

Gandolf Group, LLC

Gemstone Estates

Located West of 4525 North Haines Avenue and Chaulkstone Drive in Rapid City, South Dakota

Number of new units: 48

The development will be newly constructed units with 100% of the units targeted to households with incomes below 60% of the HUD area median income.

Attached are the meeting minutes dated May 16, 2005 evidencing approval from the local governing body.

Please note: Nothing herein implies or expresses approval of zoning, building, subdivision or other City requirements or standards pertaining to this proposed development.

Jim Shaw

Mayor

Title

Signature

Date

Dear Marcia,

We hereby formally request a support resolution from the City Council of Rapid City that conforms with the requirements provided to you from the South Dakota Housing and Development Authority ("SDHDA") on or prior to June 1, 2005.

Per your request, I am providing you a description of the project. Please note that Mayor Shaw provided us a support letter previously for our application of tax credits for Gemstone Estates. We have now received a conditional allocation of credits contingent upon receiving a council resolution in conformity with SDHDA requirements.

Our proposed project, Gemstone Estates, is a 48-unit affordable family development which will be located on the north end of town just west of 4525 Haines Avenue North. Gemstone units will be built in much the same manner as our 80-unit project on the southeast end of town, South Creek Village. Gemstone will be a complementary development to our adjacent project, Pine Crest Village, a 48-unit affordable senior development. Our intention is to use the same project team for Gemstone (and Pine Crest)- GBA Construction (the Barber family), Lewis-Kirkeby as our management company and Dacotah Bank for the construction and permanent financing as we did on South Creek Village, although we certainly cannot guarantee this will be the case.

We have been working with the planning staff, Dean and Eldene Henderson, who are the land sellers, and engineers on the road system for Pine Crest, Gemstone and the general area. With the support of the planning staff, we are pursuing TIF for the construction of Chaulkstone Drive and Gemstone Drive due to the costs of these projects which are essential to the projects yet we are unable to fund them out of our development budgets.

For illustration purposes, we will provide you our site plan which includes Gemstone, Pine Crest, Chaulkstone Drive and Gemstone Drive.

We request your continuing support for Gemstone. Please call Roger Peterson or me should you have any questions or comments at 952-543-2455.

Respectfully Submitted,

Murray R. Klane,
On behalf of Gemstone Estates, Limited Partnership