

REPORT TO THE DESERT HOT SPRINGS HEALTH AND WELLNESS FOUNDATION



DATE: May 18, 2015

TITLE: Update on Desert Hot Springs Health and Wellness Center Construction Draw Funding

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RECOMMENDATION

Staff will provide an update on the Desert Hot Springs Health and Wellness Center Construction Draw Funding.

BACKGROUND/DISCUSSION

Staff has completed their final request for draw down of construction funding from the lenders, effective April 2015. There remains an estimated balance of \$38,838.00, which will be moved to one of the reserve accounts once the Desert Hot Springs Health and Wellness Foundation receives the final distribution for Draw Number 13. We have already suggested that the balance of the funding be used for operations, but that is now allowable, so staff will work with the lenders, and the funding will be transferred to one of the reserve funds which assist with the payment of administrative fees and a small portion of the quarterly interest payments on the loans.

The construction draw funds were expended over a 34-month period of time, since the close of the New Market Tax Credit Deal in July 2012. The purpose of the funding was to embark upon a project consisting of the acquisition of real property and completion of buildings and improvements to be operated as a health and wellness center and to operate a health and wellness center in conjunction with other public agencies and nonprofit organizations to promote the physical and psychological health and well-being of residents of the City and surrounding area, which has been completed.

Over the course of the next two months, staff will work with the lenders to ensure that the funding is moved to a reserve fund and tracked until July 2019.

FISCAL IMPACT

There is no fiscal impact.

EXHIBIT(S)

None