



Meeting Date: October 3, 2006

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Richard R. Bryan

Agenda Item No. I-2

Reviewed By: City Manager

Holmberg
City Attorney

Finance [Signature]

Other (Specify)

DATE: September 21, 2006

TO: Community Development Commission

FROM: Curtis P. Cannon, Community Development Director
Community Development Department

Curtis P. Cannon

SUBJECT: **Commitment of 2.7 Million for an 86 Unit Component of the 140 Affordable Apartments at RiverPark for Extremely and Very Low Income Households**

RECOMMENDATION

That Community Development Commission (CDC) authorize the Community Development Director to execute a letter to Cabrillo Economic Development Corporation (CEDC) offering to loan 2.7 million to assist in financing the development of 86 RiverPark apartments affordable to extremely low and very low income households located north of the 101 Freeway, west of Vineyard Avenue, north of Myrtle Avenue and at the westerly terminus of Olive Street.

DISCUSSION

The CDC previously approved a RiverPark Owner Participation Agreement together with First and Second Amendments thereto (collectively OPA). In accordance with the OPA, the RiverPark developers are responsible for the development of 392 affordable housing units consisting of 140 rental units for extremely and very low income households, and 252 for-sale units (140 units for low income households and 112 units for moderate income households).

The RiverPark developers selected CEDC to develop the 140 rental units for extremely and very low income households (Attachment #1-Vicinity Map). This project is the only 100% affordable rental housing project in the RiverPark development. For financing purposes, the 140 unit project is being developed in two phases, a 54 unit and 86 unit phase. The focus of this report is the financing for the 86 units.

The CEDC is requesting \$2.7 million in up-front CDC financing to complete the 86 units. To fund the remaining development costs, CEDC on its own has identified and is applying for State Multifamily Housing Program Funds, Low Income Housing Tax Credits, Multifamily Housing Bonds, Neighborhood Reinvestment Corporation funds and conventional bank financing. The RiverPark developers are donating the land for the project.

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One of CEDC's funding applications must be filed by October 10, 2006 with others to follow. The applications require that the CEDC obtain a funding commitment letter from the CDC (Attachment #2-Draft Commitment Letter). The letter is to be signed by the Community Development Director, and is a conditional commitment, subject to completing the planning process and the CDC future approval of an appropriation of funds and a loan agreement prepared by CDC legal counsel.

The CDC has available funds for a \$2.7 million loan to the 86 unit project as follows:

Paseo del Rio-86 Units

CDC 25% Home Funds Match	\$1,000,000	
CDC Housing Set-aside	1,050,000	
CDC In-lieu Fees	650,000	
Total		\$2,700,000

The recommended up-front \$2.7 million of CDC cash financing will be funded from existing accounts and reimbursed by CEDC through rental income. The advance delivery of funding is necessary because there are no other foreseeable sources of funds readily available. The parties to the OPA may later determine to amend the OPA to reflect the nature and amount of the commitment presently being made.

FINANCIAL IMPACT

The recommended financing package will mean that:

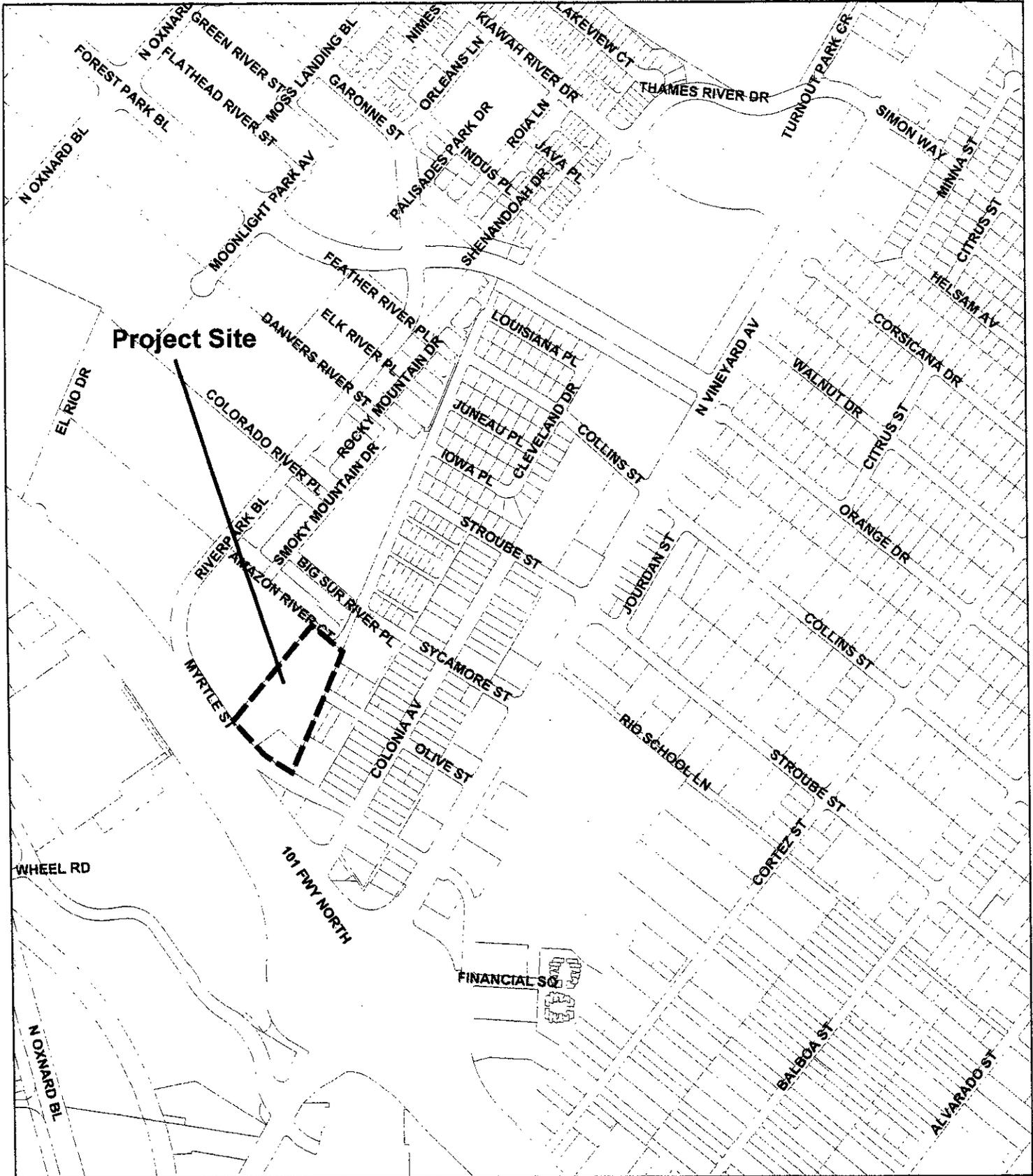
1. Staff will return with a loan agreement and request to have the \$2.7 million commitment appropriated and budgeted.
2. No other demands by developer or CEDC can be made upon the \$1,000,000 million of the CDC's 25% Home Funds Match. The CDC's 25% Home Funds Match has a current balance of \$1.5 million (Project No. 009982).
3. No other demands by developer or CEDC can be made upon the \$1.05 million of the CDC's Housing Set Aside Fund. The CDC's Housing Set Aside Fund has a current balance of \$1.7 million (441-0000-101-01.00).
4. No other demands by developer or CEDC can be made upon the \$650,000 of the CDC's In-lieu Fees Fund. The CDC's In-lieu Fees Fund has a current balance of \$935,776 (Account No. 443-0000.101.01.06).

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Attachment #1 - Vicinity Map
#2 - Commitment Letter

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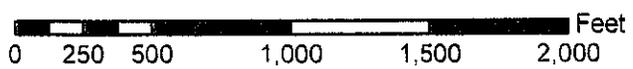
Attachment #1- Vicinity Map



Project Site

Lot 19, TR 5352-1

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September 15, 2006

Attachment #2-Draft Commitment Letter

October 4, 2006

Rodney Fernandez
Executive Director
Cabrillo Economic Development Corporation
702 County Square Drive
Ventura, CA 93003

RE: Request for Funding for 86 Affordable Apartments, RiverPark Project, West End of Olive Street.

Dear Mr. Fernandez:

On October 3, 2006 the Oxnard Community Development Commission (CDC) approved a commitment to provide Cabrillo Economic Development Corporation (CEDC) \$2.7 million in funding to assist in financing for the 86 unit Paseo del Rio affordable apartment project in the RiverPark Development.

The funds committed will be in the form of a loan. The loan must be repaid over no more than a 55-year term. Interest will accrue at a rate of 4% per annum and will be paid from residual receipts. The units must be restricted so that all units are available at rents affordable to families earning 50% or less than Ventura County median income as these terms are defined in the Health and Safety Code and similar federal law.

Funds will be made available, provided other financing sources, including State of California Multifamily Housing Program Funds, 4% tax credits, Multifamily Housing Bonds, and developer equity are sufficient to provide for the completion of the project.

CEDC will be required to execute an Affordable Housing Loan Agreement and related documents with terms and conditions similar to other affordable housing agreements previously used in CEDC transactions with the CDC.

These funds are committed to the 86-unit development referred to herein. This development must be processed and entitled in accordance with all local, state and federal laws and development procedures. Nothing in this letter limits the ability of the City Council and Community Development Commission as the regulatory agencies to impose terms and conditions upon the development of real property within their jurisdiction.

This commitment will expire 36 months from the date of this letter.

The CDC has always supported the production of affordable housing, and is pleased to participate in this project.

Sincerely,

Curtis P. Cannon, Community Development Director

Accepted:

Rodney Fernandez, Executive Director
Cabrillo Economic Corporation

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