



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

Prepared By: Ernest Whitaker *EW* Agenda Item No. L-2
 Reviewed By: City Manager *[Signature]* City Attorney Holmberg *[Signature]* Finance *[Signature]* Other CDC *[Signature]*

DATE: February 22, 2007

TO: City Council

FROM: Sal Gonzalez, Housing Director *[Signature]*
Housing Department

SUBJECT: Issuance of Multifamily Revenue Bonds for Paseo Santa Clara and Paseo del Rio

RECOMMENDATION

That City Council adopt:

1. A resolution approving and directing execution of the Joint Exercise of Powers Agreement (No. A-6843) relating to the California Municipal Finance Authority (CMFA).
2. A resolution approving the issuance, pursuant to the Tax Equity and Financial Act of 1982 (TEFRA), by the CMFA of \$15 million of multifamily revenue bonds to assist in the construction and development of a 54 unit very low income family rental housing project located at or near 295 Myrtle Street by Cabrillo Economic Development Corporation (CEDC).
3. A resolution approving the issuance, pursuant to the TEFRA Act of 1982, by CMFA of \$20 million of multifamily revenue bonds to assist in the construction and development of an 86 unit very low income family rental housing project located at or near 295 Myrtle Street by CEDC.

RECOMMENDATION

The City Council is being requested by CEDC to approve the issuance of an estimated \$35 million of multifamily revenue bonds for two separate apartment projects in RiverPark; Paseo Santa Clara with 54 units and Paseo Del Rio with 86 units. The projects are adjacent to each other near 295 Myrtle Street. All 140 apartments are for very low income families. The two projects combined satisfy the very low income requirements for the RiverPark project.

The proposed bond program will be administered by CMFA, as selected by CEDC. In order for CMFA to have jurisdiction to issue the bonds, the City must become a member of CMFA. CMFA was created in January 2004 pursuant to a joint exercise of powers agreement between the County of San Diego and the City of Santa Clarita. To date over 30 municipalities or counties have become members. CMFA

has facilitated over \$500 million in bond financings, including various waste management and multifamily housing financings.

In order for the bonds to be tax exempt, the City Council must hold a public hearing on each project regarding the financing of the project and approve the issuance of bonds for each project by CMFA. In approving the issuance of the bonds, the City Council makes a finding that the issuance will be in the public interest and for public benefit in the City of Oxnard.

The resolutions and notices allow for a maximum of \$15 million of bonds for Paseo Santa Clara and \$20 million for Paseo Del Rio. It is expected that the actual bond issues will be closer to \$12.6 million and \$17 million respectively. The additional bond authorization allows for flexibility if there are cost increases or other facts change. CMFA will remit to the City \$18,000 following the closing of the bond issue, to be used for any lawful purpose of the City or the Community Development Commission (CDC).

The two CEDC projects provide several areas of public benefit to the City:

1. Make a major contribution to the City's Regional Housing Needs Assessment (RHNA) goals for very low income units.
2. Will give a preference for applicants who live or work in Oxnard.
3. Satisfy the very low income requirement for the RiverPark development.
4. Satisfy a variety of goals of the HERO Redevelopment Project area:
 - Re-plan, design and develop under developed areas that are underutilized or improperly utilized.
 - Strengthen the economic base of the Project Area by redevelopment and the installation of needed improvements.
 - Promote private sector investment within the Project Area.
 - Provide improved housing for individuals and/or families of very low, low, or moderate incomes.

FINANCIAL IMPACT

The bonds for each project will be solely payable from project revenues by the partnerships that will own the respective apartment developments. The City and the CDC will have no involvement in the bond program, and no liability or commitment with respect to the administration of the bond program and the repayment of the bonds. Bond holders will have no recourse against the City or the CDC in the event of a default.

Attachment #1 - Resolution Approving Execution of Joint Exercise of Powers Agreement
#2 - Resolution Authorizing Issuance of Bonds for Paseo Santa Clara Apartments
#3 - Resolution Authorizing Issuance of Bonds for Paseo Del Rio Apartments

Note: Attachment #1, Resolution Approving Execution of Joint Exercise of Powers Agreement has been provided to City Council. Copies are available for review at the Circulation Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Friday.

000008

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
APPROVING THE ISSUANCE OF REVENUE BONDS BY THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE
OF FINANCING PASEO SANTA CLARA APARTMENTS**

WHEREAS, the California Municipal Finance Authority (the "Authority") is authorized to issue and sell revenue bonds for the purpose, among others, of financing multifamily rental housing developments; and

WHEREAS, Cabrillo Economic Development Corporation, on behalf of Paseo Santa Clara Associates, L.P., a California limited partnership (the "Borrower") sponsored by Cabrillo Economic Development Corporation, has requested that the Authority issue and sell revenue bonds in the principal amount of up to \$15,000,000 (the "Bonds") for the purpose of making a loan to the Borrower, to enable the Borrower to finance the costs of construction of a 54 unit residential rental housing development currently known as Paseo Santa Clara Apartments, to be located on a 1.9 acre site at or near 295 Myrtle Street in the City of Oxnard (the "Project"); and

WHEREAS, as required by the Internal Revenue Code of 1986, as amended (the "Code"), a portion of the housing units in the Project will be rented to persons and families of very low income; and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Code requires that an "applicable elected representative" with respect to the Project hold a public hearing regarding the issuance of the Bonds and approve the issuance of the Bonds following the public hearing; and

WHEREAS, the Authority has determined that the City Council of the City of Oxnard (the "City") is an "applicable elected representative" to hold the public hearing with respect to the financing of the Project; and

WHEREAS, notice of the public hearing has been duly given as required by the Code, and this City Council has heretofore held the public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority's issuance of the Bonds therefore; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OXNARD AS FOLLOWS:

Section 1. The above recitals are true and correct.

ATTACHMENT NO. 2
PAGE 1 OF 3

000009

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority. The City Council intends that this Resolution constitute approval of the Bonds for the purposes of Section 147(f) of the Code by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located and on whose behalf such Bonds are expected to be issued; provided that such approval is made on condition that prior to or concurrently with the issuance of the Bonds the Borrower execute and cause to be recorded in the Ventura County Recorder's Office an agreement or agreements satisfactory in form and substance to the City Attorney and the City Manager which provide: (a) that the Borrower will make all of the units in the Project (with the exception of one manager's unit) available only to persons earning 60% or less of median income at affordable rent (defined as 30% of 60% of area median income with an assumed household size of two persons for a one bedroom unit, three persons for a two bedroom unit, and four persons for a three bedroom unit); (b) that the Borrower will grant a preference (with procedures reasonably satisfactory to the City's Housing Director) for rental of units to persons who live or work in Oxnard; (c) that the Borrower and any subsequent owner of the Property will not discriminate against prospective residents utilizing Section 8 assistance, provided they meet credit and background standards and units are available at rents permitted by the Housing Authority under the Section 8 program; and (d) that rents for those units with tenants receiving Section 8 assistance will not exceed rents for similar units occupied by very low or low income tenants pursuant to bond and tax credit financing requirements and not receiving Section 8 assistance.

Section 3. The obligations described in clauses (a) through (d) of the second sentence of Section 2 shall be contained in a Bond Regulatory Agreement executed by the Borrower. The Bond Regulatory Agreement shall be recorded against the site on which the Project is to be constructed, and shall be binding on any subsequent owner of the Project. The City shall be named as a third party beneficiary of the Bond Regulatory Agreement, and will be entitled to enforce its remedies, by an action for specific performance, directly against the Borrower for breach of any of such obligations.

Section 4. The adoption of this Resolution shall not obligate (a) the City to provide any financing to acquire or construct the Project; (b) the City, the Planning Department of the City or any other department of the City to approve any application or request for, or take any other action in connection with, any planning approval, permit or other action necessary for the acquisition, construction or operation of the Project; (c) the City to make any contribution or advance any funds whatsoever to the Authority; or (d) the City to take any further action with respect to the Authority or any membership therein.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing approved hereby.

ATTACHMENT NO. 2
PAGE 2 OF 3

Section 6. The City Clerk of the City shall forward a certified copy of this Resolution to:

Paul J. Thimmig, Esq.
Quint & Thimmig LLP
One Embarcadero Center, Suite 2420
San Francisco, California 94111-3737

Section 7. This Resolution shall become effective immediately upon passage, and shall become null and void if bonds are not issued for the Project on or before December 31, 2007.

PASSED AND ADOPTED this 6th day of March, 2007, by the following vote:

AYES:

NOES:

ABSTAIN:

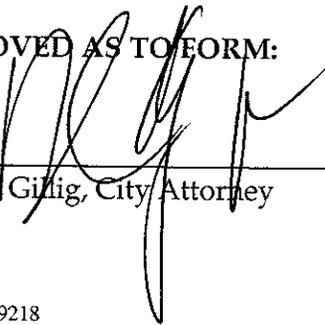
ABSENT:

Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Gary L. Gilig, City Attorney

03042.09:J9218
2/16/07

ATTACHMENT NO. 2
PAGE 3 OF 3

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD
APPROVING THE ISSUANCE OF REVENUE BONDS BY THE
CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE
OF FINANCING PASEO DEL RIO APARTMENTS**

WHEREAS, the California Municipal Finance Authority (the "Authority") is authorized to issue and sell revenue bonds for the purpose, among others, of financing multifamily rental housing developments; and

WHEREAS, Cabrillo Economic Development Corporation, on behalf of Paseo Del Rio Associates, L.P., a California limited partnership (the "Borrower") sponsored by Cabrillo Economic Development Corporation, has requested that the Authority issue and sell revenue bonds in the principal amount of up to \$20,000,000 (the "Bonds") for the purpose of making a loan to the Borrower, to enable the Borrower to finance the costs of construction of an 86 unit residential rental housing development currently known as Paseo Del Rio Apartments, to be located on a 2.6 acre site at or near 295 Myrtle Street in the City of Oxnard (the "Project"); and

WHEREAS, as required by the Internal Revenue Code of 1986, as amended (the "Code"), a portion of the housing units in the Project will be rented to persons and families of very low income; and

WHEREAS, in order for the interest on the Bonds to be tax-exempt, Section 147(f) of the Code requires that an "applicable elected representative" with respect to the Project hold a public hearing regarding the issuance of the Bonds and approve the issuance of the Bonds following the public hearing; and

WHEREAS, the Authority has determined that the City Council of the City of Oxnard (the "City") is an "applicable elected representative" to hold the public hearing with respect to the financing of the Project; and

WHEREAS, notice of the public hearing has been duly given as required by the Code, and this City Council has heretofore held the public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing of the Project and the Authority's issuance of the Bonds therefore; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by the Authority for the aforesaid purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OXNARD AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. The City Council hereby approves the issuance of the Bonds by the Authority. The City Council intends that this Resolution constitute approval of the Bonds

for the purposes of Section 147(f) of the Code by the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located and on whose behalf such Bonds are expected to be issued; provided that such approval is made on condition that prior to or concurrently with the issuance of the Bonds the Borrower execute and cause to be recorded in the Ventura County Recorder's Office an agreement or agreements satisfactory in form and substance to the City Attorney and the City Mayor which provide: (a) that the Borrower will make all of the units in the Project (with the exception of one manager's unit) available only to persons earning 60% or less of median income at affordable rent (defined as 30% of 60% of area median income with an assumed household size of two persons for a one bedroom unit, three persons for a two bedroom unit, and four persons for a three bedroom unit and two persons for a one bedroom unit); (b) that the Borrower will grant a preference (with procedures reasonably satisfactory to the City's Housing Director) for rental of units to persons who live or work in Oxnard; (c) that the Borrower and any subsequent owner of the Property will not discriminate against prospective residents utilizing Section 8 assistance, provided they meet credit and background standards and units are available at rents permitted by the Housing Authority under the Section 8 program; and (d) that rents for those units with tenants receiving Section 8 assistance will not exceed rents for similar units occupied by very low or low income tenants pursuant to bond and tax credit financing requirements and not receiving Section 8 assistance.

Section 3. The obligations described in clauses (a) through (d) of the second sentence of Section 2 shall be contained in a Bond Regulatory Agreement executed by the Borrower. The Bond Regulatory Agreement shall be recorded against the site on which the Project is to be constructed, and shall be binding on any subsequent owner of the Project. The City shall be named as a third party beneficiary of the Bond Regulatory Agreement, and will be entitled to enforce its remedies, by an action for specific performance, directly against the Borrower for breach of any of such obligations.

Section 4. The adoption of this Resolution shall not obligate (a) the City to provide any financing to acquire or construct the Project; (b) the City, the Planning Department of the City or any other department of the City to approve any application or request for, or take any other action in connection with, any planning approval, permit or other action necessary for the acquisition, construction or operation of the Project; (c) the City to make any contribution or advance any funds whatsoever to the Authority; or (d) the City to take any further action with respect to the Authority or any membership therein.

Section 5. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the financing approved hereby.

Section 6. The City Clerk of the City shall forward a certified copy of this Resolution to:

Paul J. Thimmig, Esq.
Quint & Thimmig LLP
One Embarcadero Center, Suite 2420
San Francisco, California 94111-3737

ATTACHMENT NO. 3
PAGE 2 OF 3

Section 7. This Resolution shall become effective immediately upon passage, and shall become null and void if bonds are not issued for the Project on or before December 31, 2007.

PASSED AND ADOPTED this 6th day of March, 2007, by the following vote:

AYES:

NOES:

ABSTAIN:

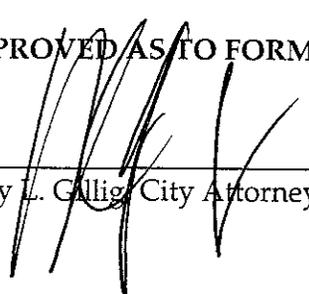
ABSENT:

Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Gary L. Gallig, City Attorney

03042.09:J9214
2/16/07

ATTACHMENT NO. 3
PAGE 3 OF 3