



Meeting Date: 7/24/07

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: ^{MH}Maureen Hooper, Redevelopment Project Manager Agenda Item No. I-6
 Reviewed By: City Manager JLB City Attorney HJ Finance SW Other (Specify) _____

DATE: July 12, 2007

TO: Community Development Commission

FROM: Curtis P. Cannon, Director Brian D. Pennington (A01)
Community Development Department

SUBJECT: Resolution to Modify the Affordable Housing and In-Lieu Fee Payment Requirements for the Gateway Walk Residential Development

RECOMMENDATION

That Community Development Commission adopt a resolution to permit The Olson Company to meet the affordable housing requirements for the Gateway Walk project located at 1250 Oxnard Boulevard, by providing 14 affordable units on-site and paying in-lieu fees for the remaining units in the amount of \$475,000.

DISCUSSION

At the City Council meeting of July 17, Council approved the Gateway Walk project proposed by The Olson Company. This project is located at 1250 Oxnard Boulevard, at the former Sky View Drive-In site and the adjacent commercial property fronting Oxnard Boulevard. The project is for 190 residential units and 7,124 square feet of commercial use on 13.68 acres, and includes a 1.77-acre public park.

In accordance with California Redevelopment Law, 15 percent of the residential units in a redevelopment project area must be affordable to low and moderate income households. CDC Resolution 111, adopted by the Commission on July 11, 2006, requires each project in a redevelopment area to either provide units on-site or to pay in-lieu fees. The Olson Company proposes to provide one-half of the affordable units (14) on-site (for moderate income buyers) and pay an in-lieu fee of \$475,000. A separate resolution must be adopted by the CDC to accept the proposal.

When the City Council initially provided staff with direction for the development of the Five Points Land Use and Circulation Study ("Study") in 2004, City Council stated its interest in the potential residential redevelopment of the former Sky View Drive-In site, to include the commercial properties immediately adjacent to the site, fronting Oxnard Boulevard. The Study, completed in 2005, recommended commercial land uses directly adjacent to the residential use at this site.

CDC staff entered into discussions with the drive-in site's owner, Robertson Properties, for the possible redevelopment of the site. Robertson Properties released a Request for Proposals (RFP) for the site's purchase and development and awarded the bid to The Olson Company. The Olson Company subsequently began negotiations with the commercial property owners along Oxnard Boulevard so as to include this portion in its redevelopment plan, in accordance with City Council's stated preference. Although the Olson Company offered the original asking price of \$2 million, the purchase offer was not accepted, and The Olson Company continued to negotiate until the final offer of \$3.2 million was accepted.

As a result of this cost, and to provide the minimum return required by the developer, the project requires 190 units and an alternative approach to the affordable housing requirements of Resolution 111. The developer proposes to meet the affordable housing requirement by providing one-half of the units on-site, and paying in-lieu fees for the other one-half.

CDC staff supports this request based on the following:

1. The project is consistent with the Implementation Plan for the CCRP Area goals of revitalizing vacant, blighted, and underutilized land.
2. The project is at a high-visibility location at a gateway to the Downtown.
3. The project improves the community's supply of housing available to a broad spectrum of buyers representing a wide range of economic strata, including moderate-income housing.
4. Project costs were increased due to the developer's negotiated purchase of the frontage property, at the request of the City.
5. The project will generate property taxes estimated at \$786,000 for the first year, of which \$157,200 will be allocated to the Housing Set-Aside fund for use in future affordable housing projects.
6. The project will provide a 1.77 acre public park.
7. The project will provide space for a police storefront.

FINANCIAL IMPACT

The in-lieu fees of \$475,000 to be paid by the Developer will be deposited into the CDC In-Lieu Fees Fund #443-5115-555- 73-89.

MH

Attachment #1 – Resolution

COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE
CITY OF OXNARD MODIFYING AFFORDABLE HOUSING AND IN LIEU FEE
PAYMENT REQUIREMENTS FOR A RESIDENTIAL PROJECT PROPOSED BY _____

WHEREAS, the Community Development Commission of the City of Oxnard (the "Commission") has adopted Resolution No. 111 providing for implementation of section 33413 of the California Health and Safety Code, which code section requires that at least fifteen percent (15%) of all new and substantially rehabilitated dwelling units developed within a project area under the jurisdiction of a redevelopment agency by public or private entities or persons other than the redevelopment agency, shall be available at affordable housing cost to persons or families of low or moderate income and that not less than forty percent (40%) of such dwelling units shall be available at affordable housing costs to very low income households; and

WHEREAS, Resolution No. 111 provides for affordable housing to be constructed on site and also provides for payment of fees in lieu of construction of affordable housing on site; and

WHEREAS, the Olson Company (the "Developer") has proposed and the City of Oxnard ("City") has approved on July 17, 2007, a development project in the Central City Revitalization Project area that will be located on approximately fourteen (14) acres at 1250 South Oxnard Boulevard, and which will contain one hundred ninety (190) residential units (the "Project"); and

WHEREAS, the Developer, at the request of the City, in connection with the Project, has acquired property on Saviers Road, and will develop that property so as to provide an attractive gateway to the downtown Oxnard area; and

WHEREAS, the cost of such acquisition has substantially increased the Developer's cost of the Project (as set forth in the staff report supporting adoption of this resolution); and

WHEREAS, the Project is designed so that in general, the prices of the one hundred ninety (190) units in the Project will be such that persons and families of middle income will find them affordable; and

WHEREAS, the Project will, in general, result in the rebuilding of vacant and under utilized land at a gateway to downtown Oxnard; and

WHEREAS, the Project will enhance the economic base of the City of Oxnard by providing estimated property taxes of approximately \$785,000 per year, with \$157,000 to be allocated to the Commission's redevelopment affordable housing set aside fund; and

WHEREAS, the Developer has agreed to provide to the City and by accepting the benefits of this resolution confirms its agreement to provide a police store front office in the Project; and

WHEREAS, the Developer proposes to provide fourteen (14) units on site affordable to persons of moderate income consistent with and under and pursuant to the provisions of the California Redevelopment Law and to pay an in lieu fee of \$475,000.

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ATTACHMENT #1
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NOW, THEREFORE, the Community Development Commission of the City of Oxnard resolves:

1. All recitals set forth hereinabove are found and determined to be true and correct and are incorporated into this resolution by reference.

2. The Project shall contain, and the development shall set aside, fourteen (14) units to be occupied by persons and families of moderate income and to be sold only for prices affordable to such persons and families of moderate income as provided under and pursuant to the provisions of the California Redevelopment Law set forth as California Health and Safety Code section 33300, et seq. and California Health and Safety Code sections 50010, et. seq., including 50052.5 and 50093.

3. The Developer shall pay to the Commission an "in lieu" affordable housing fee of \$475,000.

4. This resolution shall be effective on the date of its passage.

PASSED AND ADOPTED THIS _____ day of July, 2007, by the following vote:

AYES:

NOES:

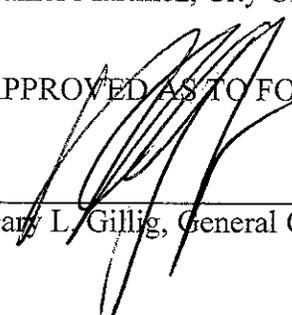
ABSENT:

Dr. Thomas E. Holden
Chairperson

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Gary L. Gillig, General Counsel

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ATTACHMENT #1
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