



Meeting Date: 06/10/08

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: Maureen Hooper, Redevelopment Project Manager Agenda Item No. I-4
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) _____

DATE: May 27, 2008

TO: Community Development Commission

FROM: Curtis P. Cannon, Director [Signature]
Community Development Department

SUBJECT: Extension of Affordable Housing and Loan Agreement with Housing Opportunity Management and Education (HOME) Corporation

RECOMMENDATION

That the Community Development Commission (CDC) approve and authorize the Chairman to execute a First Amendment to Affordable Housing and Loan Agreement with Housing Opportunity Management and Education (HOME) Corporation (A-6855) extending the date for repayment of a \$340,000 loan to June 30, 2009.

DISCUSSION

At its meeting of March 20, 2007, CDC approved providing a loan to the HOME Corporation to enable its purchase of one property to be included in a proposed multi-family, 72-unit housing project in the Meta District within the Central City Revitalization Project Area (CCRP).

The HOME Corporation proposed to build a 72-unit affordable housing development, of which 85 percent will be targeted to families earning 100 percent of the area median income. The remaining 15 percent will be targeted to families earning 50-80 percent of median income.

CDC staff has determined that the proposed project would implement elements of CDC's approved housing strategy. Additionally, the proposed project supports the housing strategy under consideration for the Meta District Plan, a comprehensive plan to help maximize the potential for reinvestment, land use (including housing densities), and circulation, to assist in revitalizing the Meta Street area.

Under the terms of the original agreement approved by the CDC in March 2007, the loan to the HOME Corporation was to be repaid upon either the execution of a Disposition and Development Agreement (DDA) for the project, or nine (9) months from the date of the Promissory Note, whichever occurred earlier. The proposed project needs to be evaluated further in context with the Meta District Plan that was under development at the time of approval of the loan; however, adoption of the Plan has been

delayed. Based on this delay, staff recommends that the Note with the HOME Corporation be extended to June 30, 2009 which is within the estimated timeframe for Council adoption of the Meta District Plan and the time needed to negotiate a DDA.

Under the terms of the original Agreement the CDC loaned the HOME Corporation \$340,000 at LAIF plus 3 percent per annum. Private funds were used to secure the balance of the \$350,000 purchase price of the land plus closing costs. If the project does not go forward the HOME Corporation must repay the \$340,000 with interest.

FINANCIAL IMPACT

There is no financial impact associated with the staff recommendation. The Special Budget Appropriation approved in March 2007 appropriated funds in the amount of \$340,000 from the Housing Set-Aside Fund Balance to a new project, "CDC Loan/131 East Seventh Street," from which a loan was provided to the HOME Corporation.

MH

Attachment No. 1 – First Amendment to Affordable Housing and Loan Agreement (A-6855)

FIRST AMENDMENT TO AFFORDABLE HOUSING AND LOAN AGREEMENT

This First Amendment to Affordable Housing and Loan Agreement ("First Amendment") amends the Affordable Housing and Loan Agreement ("Agreement") entered into as of March 20, 2007 between the City of Oxnard Community Development Commission ("CDC") and the Housing Opportunity Management and Education Corporation ("Developer").

RECITAL

The Agreement provides for the loan of three hundred forty thousand dollars (\$340,000) to be made by the CDC to the Developer.

The loan has been made.

The Agreement provides that the loan shall be due and payable upon occurrence of certain events, again, in no event more than nine (9) months from the date of the promissory note.

The parties wish to extend the date from nine (9) months to twenty-one (27) months, to June 30, 2009.

NOW, THEREFORE, it is hereby agreed as follows:

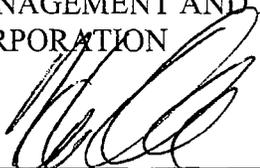
AGREEMENT

1. Paragraph 1.C. (4) of the Agreement is amended in its entirety to provide as follows:
 "Repayment terms. The loan shall be due and payable upon the earlier of (1) execution of a DDA for the project; except to the extent otherwise provided therein; (2) twenty-one (21) months from the date of the promissory note."
2. All other terms and conditions of the Agreement remain the same.
3. All references in the promissory note to the Agreement shall be deemed references to the Agreement as amended.

CITY OF OXNARD COMMUNITY DEVELOPMENT COMMISSION

HOUSING OPPORTUNITY MANAGEMENT AND EDUCATION CORPORATION

By: _____
Dr. Thomas E. Holden, Chairman

By:  _____
Henry Casillas

