



Meeting Date: 6-24-2008

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: Larry S. White Agenda Item No. I-12

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) _____

DATE: June 24, 2008

TO: City Council

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

SUBJECT: State of California Assembly Bill 2818

RECOMMENDATION

That the Council execute letters to State Assembly speaker Karen Bass and Assembly Member Pedro Nava that the City of Oxnard opposes Assembly Bill 2818.

DISCUSSION

Assembly Bill 2818 is a bill designed to add additional requirements to be met and actions to be taken by housing authorities prior to disposing of public housing. Two years ago, the City of Oxnard Housing Authority executed a disposition and development agreement under which a developer would pay for and market a project replacing 260 units of public housing as well as creating at least 80 additional affordable units. The developer will prepare a relocation plan, develop a financing plan, design and construct the improvement. Housing authorities do not have funds or development expertise to perform all these functions. To accomplish this type of project, a housing authority needs to partner with a developer early in the process. If AB2818 is adopted, a housing authority would not be able to enter into this type of agreement.

The restrictions of AB2818 would prevent many housing authorities from undertaking these kinds of projects.

The bill places considerable focus on notifying, working with and protecting the tenants who live in these projects. In many of these projects, particularly where additional units are being planned (which is in the majority of cases in California) the parties at interest and beneficiaries are not only the residents of these projects but also applicants for housing. Requirements that impede these projects hurt the residents, the applicants and all those in need of housing.

Replacing units at the same rent as before is also very problematic. Because of the need to have a broad range of incomes in public housing, declining federal subsidies and the high cost of housing in

Subject/State of California AB2818

June 5, 2008

Page 2

the private market. many housing authorities have a good number of public housing tenants with incomes which exceed 80 percent of the median income, and many exceed the very low income limits. The bill would continue some of these anomalies at the expense of very low income families. Staff recently reviewed the incomes of public housing tenants in the City's project targeted for disposition and found several tenants who exceed the income guidelines for low income housing tax credit projects. The Housing Authority is still going to assist those tenants with relocation benefits and with home ownership assistance programs.

FINANCIAL IMPACT

Approval of this item will not have any financial impact on the City.

Attachment #1 – Letter to Honorable Karen Bass

Attachment #2 – Letter to Assemblyman Pedro Nava



CITY COUNCIL OFFICE

305 West Third Street • Oxnard, CA 93030 • (805) 385-7428 • Fax (805) 385-7595

June 24, 2008

Honorable Karen Bass
 Assembly Speaker
 State Capitol
 P.O. Box 94209
 Sacramento, CA 94249-0047

Dear Assembly Speaker Bass:

The Board of Directors of Las Cortes, Inc., a non profit development corporation formed by the City of Oxnard Housing Authority, has asked for the City to oppose Assembly Bill 2818. The bill, if adopted, could affect present and future projects involving public housing and the provision of additional affordable housing.

The Las Cortes, Inc. is involved in a project that will replace 260 public housing units with 260 units of affordable housing. In addition to the 260 units, there will be an additional 80 affordable rental units developed along with for sale units that will provide affordable home ownership opportunities. The developer will prepare a relocation plan, develop a financing plan and perform actions, all of which will be subject to the approval of the Oxnard Housing Authority before the property will be transferred to Las Cortes, Inc which will operate the project.

The Oxnard Housing Authority does not have funds to pay for performing all of these functions, and generally require a partner such as a developer early in the process. Assembly Bill 2818 would make partnering with a developer early in the process difficult.

Assembly Bill 2818, if adopted as originally proposed, would severely impact this project, although amendments being proposed to the bill could exempt the project from the bill. However, the bill if adopted, still would affect future projects Las Cortes, Inc. would undertake that involved public housing.

The bill would require additional actions, beyond those currently required by federal regulations, before a housing authority acts to dispose of its property, actions that would severely impact the project.

ATTACHMENT # 1
 PAGE 1 OF 2

000075

Letter to Assembly Speaker Bass
RE: AB 2818
June 24, 2008
Page Two

Assembly Bill 2818 is a bill designed to add additional requirements to be met and actions to be taken by housing authorities prior to disposing of public housing. Two years ago, the Oxnard Housing Authority executed a disposition and development agreement under which a developer would pay for and market a project replacing 260 units of public housing as well as creating at least 80 additional affordable units. If Assembly Bill 2818 is adopted, the Oxnard Housing Authority would not be able to enter into this type of agreement.

Based on this information the Oxnard City Council urges you to make known to the State Assembly, the City of Oxnard's opposition to Assembly Bill 2818

Your consideration of our request would be greatly appreciated.

Sincerely,

Dr. Thomas E. Holden

Dean Maulhardt
Mayor Pro Tem

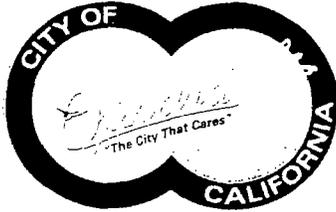
John C. Zaragoza
Councilmember

Andres Herrera
Councilmember

Timothy B. Flynn
Councilman

ATTACHMENT 1
PAGE 2 OF 2

000076



CITY COUNCIL OFFICE

305 West Third Street • Oxnard, CA 93030 • (805) 385-7428 • Fax (805) 385-7595

June 24, 2008

Assemblyman Pedro Nava
 State Capitol
 P.O. Box 942849
 Sacramento, CA 94249-0035

Dear Assemblyman Pedro Nava:

The Board of Directors of Las Cortes, Inc., a non profit development corporation formed by the City of Oxnard Housing Authority, has asked for the City to oppose Assembly Bill 2818. The bill, if adopted, could affect present and future projects involving public housing and the provision of additional affordable housing.

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Letter to Assemblymember Nava
RE: AB 2818
June 24, 2008
Page Two

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ATTACHMENT 2
PAGE 2 OF 2

000078