



Meeting Date: 11/25/08

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: Ernest Whitaker

*EW*

Agenda Item No. I-5

Reviewed By: City Manager

*[Signature]*

City Attorney

*[Signature]*

Finance

*[Signature]*

Other (Specify)

**DATE:** November 12, 2008

**TO:** City Council

**FROM:** William E. Wilkins, Housing Director  
Housing Department

*[Large Signature]*

**SUBJECT:** Amended Affordable Housing and Loan Agreement with HOME Corporation

**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute a First Amendment to Affordable Housing and Loan Agreement (A-6723) with HOME Corporation for the 24 unit sales project "Colonia Villas" at First and Hayes Streets in the Colonia neighborhood, extending times for developer performance.

**DISCUSSION**

City Council approved an Affordable Housing and Loan Agreement with Housing Opportunity Management and Education Corporation (HOME) on July 25, 2006. The agreement authorized a loan of \$840,000 to HOME for the development of 26 condominium homes for low and moderate income families at First and Hayes Streets in the Colonia neighborhood.

The concept of the project has been modified through the development of detailed plans and the refinement of the proforma. The number of units has been reduced from 26 to 24 and the units will now only be sold to low income families at 80% of median income. A family of four would have an income of no more than \$68,550.

The Amendment extends the time for start of construction to December 2009 and completion of construction to December 2010. The project will be submitted to Development Services in December to start the entitlement process.

**FINANCIAL IMPACT**

There is no estimated financial impact to the current FY 2008-2009 budget.

(EW/em)

Attachment #1 - First Amendment to Agreement

FIRST AMENDMENT TO  
AFFORDABLE HOUSING AND LOAN AGREEMENT  
(Housing Opportunity Management and Education Corporation)

This First Amendment to Affordable Housing and Loan Agreement (the "Amendment") is entered into this 25<sup>th</sup> day of November, 2008, between the City of Oxnard, a municipal corporation, (herein after referred to as "City") and Housing Opportunity Management and Education Corporation (hereinafter referred to as "Developer"). This Amendment amends that "Affordable Housing and Loan Agreement, dated July 25, 2005 ("Agreement") entered into by the parties on July 25, 2006.

RECITALS

All defined terms in this Amendment have the same meaning as are attached to such terms in the Agreement.

Pursuant to the Agreement, City has agreed to advance the sum of \$840,000 as a loan to the Developer in connection with a 26 single family unit development on a one half acre site at the northwest corner of First and Hayes Streets in the Colonia neighborhood.

In the Agreement, the Developer agreed to develop 26 affordable attached single-family dwellings (as defined in the Agreement).

The Developer and the City wish to change certain sections of the Agreement which are no longer applicable.

The parties therefore agree:

AGREEMENT

1. The last sentence of Paragraph 1.A. relating to "moderate-income household" on page one of the Agreement is deleted.
2. Paragraph 1.B.(1) is replaced in its entirety by the following:

1. PROJECT SCOPE

B. Project Description and Affordability Requirements.

(1) This Agreement provides funds for development and construction of twenty-four (24) affordable attached single-family dwellings (collectively the "affordable units"). All 24 of the affordable units shall be made available to and shall be restricted for occupancy by low-income families at an affordable housing cost to such families as provided in this Agreement. The restrictions shall be in effect for a period of twenty (20) years after the date of the first sale of the affordable unit. Provided that the unit continuously has been occupied by a low-income family in accordance with the agreements between the owners of the units and City, all income related restrictions will

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terminate twenty (20) years following the date of the first sale of the unit; and City financing will be payable upon the first transfer of the unit after the expiration of the twenty (20) year term.

3. All references to "moderate -income" in Paragraph C.(5) are deleted.

4. Paragraph C. (10), Limit of Loan Term, is replaced in its entirety by the following:

(10) Limit of Loan Term. Under any and all circumstances, any part of the Loan which remains outstanding shall be due and payable sixty (60) days from the last sale of an affordable unit or sixty (60) months from the date of the Loan, whichever occurs first; provided, however, that if all units are sold as provided herein and Developer satisfies all its obligations hereunder, any remaining balance of Loan will be forgiven.

5. Paragraph 1.E., Schedule of Performance, is replaced in its entirety by the following:

E. Schedule of Performance. Subject to the provisions of Paragraph 16 of this Agreement, the construction of the Project shall be commenced and completed no later than the dates shown below. The Housing Director may, by written document, extend either or both dates by a cumulative total of twelve (12) months. Any delay caused by City's failure to perform an obligation imposed on City under this Agreement shall extend the date of completion shown by the same number of days as any such delay caused by City.

In any event, all funds which have been advanced by the City, reduced by all amounts which have been repaid to the City and advanced to purchasers, shall be due and payable, with interest, sixty (60) months from July 25, 2006.

EVENT	PERFORMANCE DATE
Commencement of construction of the project	December 15, 2009
Completion of construction	December 15, 2010

A failure to meet the dates for performance shall be a default under this Agreement. In any event, and in addition to any other remedies, the Promissory Note, together with all interest therein, shall be due no later than sixty(60) days following the date of written notice of default by the City to the Developer.

6. Except as amended by this Amendment, the Agreement remains in full force and effect, and all of its provisions are incorporated herein.

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CITY OF OXNARD

HOUSING OPPORTUNITY  
MANAGEMENT AND EDUCATION  
CORPORATION



\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

\_\_\_\_\_  
Henry Casillas, Executive Director

ATTEST

\_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FROM:

  
\_\_\_\_\_  
Alan Holmberg, Acting City Attorney

APPROVED AS TO INSURANCE:

  
\_\_\_\_\_  
James Cameron, Risk Manager

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