Meeting Date: 06/21/11

ACTION	TYPE OF ITEM
☐ Approved Recommendation	☐ Info/Consent
☐ Ord. No(s). _____	☐ Report
☐ Res. No(s). _____	■ Public Hearing
☐ Other _____	☐ Other

Prepared By: Kymberly Horner K.H. Agenda Item No. L-4

Reviewed By: City Manager City Attorney Finance Other *(Specify)*

DATE: May 5, 2011

TO: City Council

FROM: Curtis P. Cannon, Community Development Director Kymberly Horner (for)

SUBJECT: **Relocation and Replacement Housing Plans for the Las Villas de Paseo Nuevo Project Located in the Cypress Neighborhood Southwest of the Intersection of Cypress Road and Pleasant Valley Road, Ventura County Assessor Parcel Nos. 222-0-070-110, 155, 185 and 190.**

RECOMMENDATION

That the City Council:

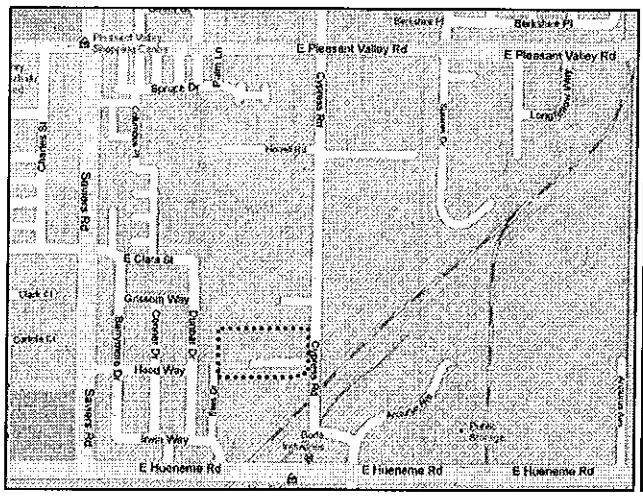
1. Receive staff's oral report, open the public hearing, receive and consider public testimony, close the public hearing and approve the Relocation Plan and the Replacement Housing Plan for the Las Villas de Paseo Nuevo Project substantially in the form presented in Attachments #1 and #2, respectively, with such non-substantive changes as may be approved by the City Attorney.

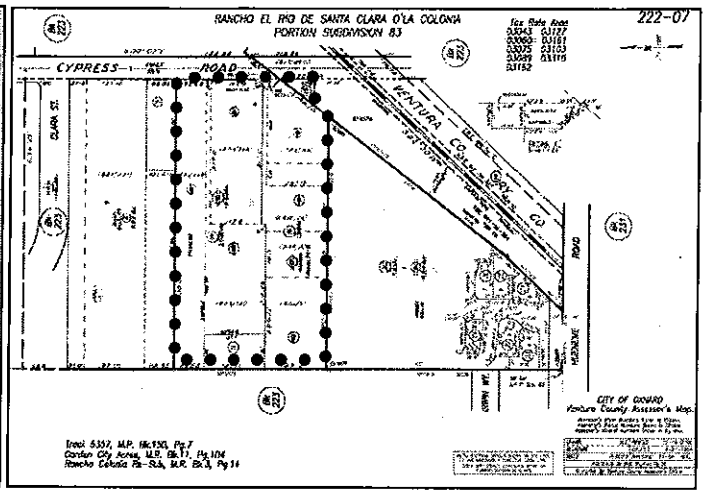
2. Authorize the City Manager, Community Development Director and Housing Director (or designee), to prepare, revise and sign all documents necessary and appropriate to carry out and implement the Relocation and Replacement Housing Plans, and to administer the City's obligations, responsibilities and duties pursuant to those documents.

DISCUSSION

Overview: Paseo Nuevo involves the redevelopment of 4.93 acres of land located in the Cypress Neighborhood southwest of the intersection of Cypress Road and Pleasant Valley Road. The scope of redevelopment entails the removal of 22 residential dwellings and subsequent development of seventy-two (72) affordable apartment units (including one manager's unit) for persons or families of low and moderate income. The project is structured as a joint venture public-private partnership involving the Oxnard Housing Authority, Las Cortes (the City's non-profit affordable housing development entity) and The McCarthy Companies. These parties will serve as general partners in the newly constituted Paseo Nuevo Partners, L.P., expressly formed for this project.

Displacement Provisions: The scope of development contemplates the removal of 22 residential dwellings along with the displacement of those persons who presently occupy the units. By virtue of the City's prospective financial involvement, relevant statutes require that an equal number of replacement dwellings (with a unit mix equal or greater number of bedrooms as those destroyed or removed units) must be provided within four years of destruction or removal. Furthermore, no persons or families of low and moderate income may be displaced unless and until a suitable replacement dwelling is made available to such persons at a cost that is affordable. In fulfillment of these statutory obligations, the City is required to prepare and adopt a Relocation Plan and a Replacement Housing Plan.





Relocation Plan: The purpose of the Relocation Plan is to articulate relocation needs and preferences of potential displacees, the resources available in the community for replacement housing, and the assistance that will be provided to secure and occupy such housing. Survey results show that there are 41 families living in 21 of the occupied dwellings, translating to an average household size of 8.6 persons. The income of all but one of these families is classified as very low (those earning less than 50% of the areawide median). On the basis of this information, the Plan outlines the forms of assistance required to achieve successful relocation through a combination of advisory services, relocation payments for moving expenses, rental and downpayment assistance, and last resort housing. In summary, the Plan indicates that affordable replacement housing can and will be made available at a total estimated cost of $550,000. Most importantly, current occupants must be provided a minimum 90-day advance notice to vacate and have the right to appeal any administrative decision regarding their eligibility.

Replacement Housing Plan: The purpose of the Replacement Housing Plan is to evidence the time and means by which an equal number of replacement dwellings (relative to the mix of units that are displaced) will provided. The replacement units must be located somewhere within the City and must be affordable to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units. In classifying the income category attributable to a given dwelling, the incomes of all occupants are considered. As a consequence, the number and income distribution of replacement units is different than the relocation obligations for each displaced family. Under the Replacement Housing Plan, it is anticipated that all of the dwellings removed as a result of the proposed project will be replaced by new units that are constructed on-site. This requires that the proposed project include a mix of units according to bedroom count and occupancy that reflects the same distribution of units that are removed. Furthermore, redevelopment law requires that a minimum of 15% of all new dwellings constructed within project areas be made

affordable to low and moderate income. The result of these parallel requirements is reflected in the table below.

REPLACEMENT HOUSING SUMMARY				
	1 Bedroom	**2 Bedroom**	**3 Bedroom**	**Total Units**
Units To Be Removed				
Very Low Income	2	12	2	16
Lower Income		4	1	5
Moderate Income		1		1
Total	2	17	3	22
Units To Be Replaced by Project				
Very Low Income		16	5	21
Lower Income		8	42	50
Moderate Income			1	1
Total		24	48	72
Inclusionary Units Required				
Very Low Income		2	3	5
Lower Income		1	2	3
Moderate Income		1	2	3
Total		4	7	11
Net Surplus/(Deficit)				
Very Low Income		0	0	0
Lower Income		+3	+39	+42
Moderate Income		-2	-1	-3
Total		+3	+38	+39

NOTES:

a. 1-bedroom units to be removed have been added to the inventory of 2-bedroom units to be replaced as allowed by Section 33413(a) of the California Health and Safety Code.

b. The figures in this Table have been updated to reflect the final tabulation of affordable units proposed by as part of the Paseo Nuevo Project. These numbers supersede and correct the figures appearing in Table 2 of the Replacement Housing Plan.

Public Outreach: Notice of availability of the Relocation and Replacement Housing Plans was published as a display advertisement in a local newspaper of general circulation on April 14, 2011, a minimum of 30 days prior to Council consideration of this item. Copies of the documents, along with abbreviated summaries printed in both English and Spanish, were hand delivered by the development team to all affected residents on April 16, 2011. Fully translated copies of the Plans were made available and posted on the City's website beginning April 21, 2011. This formal process was preceded by a number of neighborhood meetings and personal interviews conducted by the development team. As of the date of this agenda report, staff has not received any comments on either Plan, whether in writing or orally. An update of this outreach process and responses to any comments that might be received will be provided at the meeting of June 21, 2011.

ENVIRONMENTAL IMPACT

In accordance with Section 15332 of the California Environmental Quality Act (CEQA) Guidelines, in-fill development projects may be found to be exempt from the requirements of CEQA. The proposed project is located on less than five acres of land, is consistent with the zoning and General Plan, is surrounded by urban development, all public services and utilities are available, and no sensitive habitats or species exist on the property. On the basis of these findings, the Planning Commission adopted a Notice of Exemption. As such, no further environmental documentation is required.

FINANCIAL IMPACT

Costs associated with relocation and replacement housing are compensable through the LMIHF and AHILF loan agreements that are scheduled for City Council consideration as a separate agenda item on the evening of June 21, 2011. Approval of this action will not have an impact on the General Fund.

Attachment #1: Relocation Plan
#2: Replacement Housing Plan

Note: The Relocation Plan and Replacement Housing Plan have been provided to the City Council. Copies are available for review at the Help 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.