



Meeting Date: 11/15/2011

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: Karl Lawson *Karl Lawson* Agenda Item No. **I-5**

Reviewed By: City Manager *[Signature]* City Attorney *MA* Finance *JL* Other (Specify) \_\_\_\_\_

DATE: November 3, 2011

TO: City Council

FROM: William E. Wilkins, Housing Director *[Signature]*

SUBJECT: Affordable Housing and Rehabilitation Loan Program Policies

**RECOMMENDATION**

That City Council approve Affordable Housing and Rehabilitation Division loan program policies.

**DISCUSSION**

Beginning in 1977, the City instituted programs to assist qualified property owners and homebuyers to purchase and rehabilitate homes. The City utilizes and leverages funding from various sources for the specific purposes of providing purchase loans to first-time homebuyers and rehabilitation loans to several categories of homeowners, including owners of mobilehomes.

Over the years, the Affordable Housing and Rehabilitation Division developed and implemented policies and procedures for the processing of loan applications. One key element in the application review process was the establishment of a Loan Review Committee, composed of representatives from the Community Development, Code Compliance, Finance, Building and Safety, Grants Management, and Housing Departments.

Currently, there are five (5) different loan programs administered by the Affordable Housing and Rehabilitation Division which are available on a citywide basis. Those programs are:

1. Citywide Homebuyer Loan
2. Citywide Mobilehome Rehabilitation Loan
3. Citywide Single-Family Rehabilitation Matching Loan
4. Citywide Single Family Rehabilitation Loan
5. Mobilehome Replacement Loan

Last year the Affordable Housing and Rehabilitation Division initiated an effort to bring all of the loan policies for the various programs into a comprehensive document for use by the Loan Review Committee. In addition, such a document will assist applicants, homebuyers, homeowners, residents, real estate professionals, and the financing sector in the evaluation and comparison of the programs and enable them to make reasoned decisions based thereon. To this end, staff has prepared a compilation of the loan application review policies of these various programs, with the twin goals of harmonizing the requirements and processes of the 5 programs to the greatest extent possible and setting forth the program requirements with clarity. The proposed policies are set forth in Attachment Number 1.

On April 19, 2011, Council approved the adoption of policies for the Neighborhood Stabilization Program and Citywide First-Time homebuyer program, and the policies set forth in Attachment No. 1 largely parallel those policies. On the rehabilitation side, the loan policies formalize for the first time two requirements. These two key provisions are as follows:

1. Recipients of rehabilitation loans larger than \$30,000 are now required to make loan payments on the amount in excess of \$30,000 commencing within 60 days of loan closing. For owners of mobilehomes, any amount in excess of \$20,000 is subject to the repayment requirement, with loan payments also commencing within 60 days of funding.
2. Rehabilitation loans are offered to homeowners on the basis of a 3-to-1 match. This is similar to the 3-to-1 match approved for first-time homebuyers in April. For example, an applicant must contribute \$5,000 of their own funds in order to be eligible for a \$15,000 rehabilitation loan.

## **FINANCIAL IMPACT**

Approval of these policies will have no immediate fiscal impact on the various grant funds and loan funds accounts. Over the long-term, the provisions requiring rehabilitation loan recipients to begin immediate repayments of loan amounts in excess of \$30,000 (or in the case of mobilehome owners, in excess of \$20,000) will increase the amount of program income which can then be made available for loans to other qualified applicants.

## **ATTACHMENTS**

- #1: Proposed Affordable Housing and Rehabilitation Division loan policies
- #2: Resolution Adopting Policies

Note: Attachment #1 has been provided to the City Council under separate cover. Copies for review are Available at the Help Desk in the Library after 6 p.m. on Wednesday prior to the council meeting and in the City Clerk's Office after 8 a.m. on Monday prior to the Council meeting.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD, CALIFORNIA,  
ADOPTING THE AFFORDABLE HOUSING AND  
REHABILITATION LOAN PROGRAM POLICIES

WHEREAS, since 1977 the City of Oxnard has provided assistance to qualified homeowners and first-time homebuyers to assist them in the purchase and rehabilitation of homes in the City and

WHEREAS, the Affordable Housing and Rehabilitation division currently administers several different loan programs, with some designated for homebuyers and homeowners in designated redevelopment areas, and others available to owners or purchasers of homes and mobilehomes throughout the City; and

WHEREAS, it is in the best interest of loan applicants, financial institutions, staff, and the City's Loan Review Committee that the processes and standards for the administration of the various loan programs be harmonized to the greatest extent possible; and

WHEREAS, whereas it is also in the best interest of all concerned that loan program policies be set forth with clarity; and

WHEREAS, the Affordable Housing Division has compiled the loan program policies, and said policies were duly considered at the Council meeting of November 15, 2011;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oxnard, California, hereby approve the Affordable Housing and Rehabilitation Loan Program policies, effective immediately.

PASSED AND ADOPTED THIS 15<sup>th</sup> day of November, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

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

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

APPROVED AS TO FORM:

  
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Alan Holmberg, City Attorney