



Meeting Date: 07/21/09

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-7
 Reviewed By: City Manager Holmberg City Attorney Finance Other (Specify)

DATE: July 14, 2009

TO: Community Development Commission

FROM: Karen Burnham, Interim Director
Community Development Department

William E. Wilkins, Housing Director
Oxnard Housing Authority

SUBJECT: Affordable Housing Loan to Oxnard Housing Authority

RECOMMENDATION

That the Community Development Commission:

1. Approve and authorize its Chairman to execute an Affordable Housing Loan Agreement (A-7203) with the Oxnard Housing Authority in the amount of \$350,000 for pre-development costs associated with developing a Housing Authority-owned parcel into affordable housing units, located on Cuesta del Mar Street in the Southwinds Redevelopment Project Area.
2. Approve the appropriation of funds in the amount of \$350,000 from the Housing Set-Aside Funds to "CDC Loan/Housing Authority Cuesta del Mar Affordable Housing," from which a loan will be provided to the Housing Authority.

That the Housing Authority approve and authorize the Housing Director to execute the Loan Agreement with the Community Development Commission.

DISCUSSION

The Housing Authority owns a 9,400 square foot parcel on Cuesta del Mar Street in the Southwinds Redevelopment Project Area, which it intends to develop as affordable rental housing as permitted under zoning requirements. These units will help meet the need for affordable housing in the City while also helping to meet the Community Development affordable housing goals in the Southwinds Redevelopment Project Area.

The Housing Authority has issued a Request for Qualifications for a consultant to coordinate the development and construction of the housing project. CDC has been requested to loan \$350,000 to the Housing Authority to assist with the project's construction and development. The loan agreement will include the following major provisions, terms and conditions:

- The loan will bear interest at LAIF plus 1% per annum on the principal amount outstanding, and which will be payable in annual payments from the residual receipts of the project. The schedule of repayment is estimated to be 27 years.
- It is anticipated that the units will be constructed and occupied, and payments will commence by approximately July 2011.
- Consistent with California Redevelopment Law and the use of housing set-aside funds, the project shall be developed and used exclusively as affordable housing for families for a period of not less than 55 years.
- After completion of pre-development activities the Housing Authority and the CDC may negotiate the terms of a larger, long-term loan to finance construction.

FINANCIAL IMPACT

Funds are available in the Housing Set-Aside Fund (Fund 441). The attached Special Budget Appropriation appropriates funds from the Housing Set-Aside fund balance to "CDC Loan/Housing Authority Cuesta del Mar Affordable Housing Project," to provide the Housing Authority with a development loan.

MH

Attachment #1 - Loan Agreement between Housing Authority and CDC
#2 – Special Budget Appropriation form

Note: The Loan Agreement has been provided to the City Council. Copies are available for review at the Information 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, July 17, 2009.

CITY OF OXNARD

REQUEST FOR SPECIAL BUDGET APPROPRIATION

To the City Manager:

July 21, 2009

Request is hereby made for an appropriation of total

\$ 350,000

Reason for appropriation: Appropriation of \$350,000 from Housing Set-Aside Fund balance to Housing Authority Loan for Cuesta del Mar Affordable Housing

<u>FUND</u>	<u>DESCRIPTION/ACCOUNT</u>	<u>AMOUNT</u>
CDC - HOUSING SET-ASIDE FUND 441	HOUSING SET-ASIDE FUND 441-8601	
	xxx-xxxx - LOAN AGREEMENT FROM CDC TO HOUSING AUTHORITY FOR CUESTA DEL MAR AFFORDABLE HOUSING PROJECT	350,000
	Net Estimated Change to HOUSING SET-ASIDE (441)	<u>(350,000)</u>



Manager

REQUIRES CITY COUNCIL APPROVAL

CHIEF FINANCIAL OFFICER



Disposition

Approved

Rejected

Transfer by Journal Voucher

City Manager

ATTACHMENT #2
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