



| 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 _____ |

I-8

Prepared By: Melissa Hettena Agenda Item No. _____

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

DATE: July 7, 2010

TO: City Council

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

SUBJECT: **Affordable Housing and Loan Agreement with Many Mansions**

RECOMMENDATION

That City Council approve and authorize the Mayor to execute an Affordable Housing and Loan Agreement (A-7337) with Many Mansions providing gap financing in the amount of \$299,500 for the acquisition and rehabilitation of an 8 unit apartment building at 110 North "D" Street.

DISCUSSION

The City has received a request from Many Mansions to support a financial gap of \$299,500 for their low income apartment project at 110 North "D" Street.

The proposal is for the acquisition and rehabilitation of an 8 unit apartment building. Upon completion, seven of the units will provide permanent, affordable rental housing for very-low income (≤ 50% Area Median Income) Transition Aged Youth (TAY) with disabilities who are either homeless or "at risk" of becoming homeless. One of the units in the complex will be designated as a low income unit (≤80% Area Median Income) for an on-site manager.

Eligible residents will be between the ages of 18 and 24 years old or under the age of 18 and emancipated. However, this project will provide permanent, supportive housing and residents will not age out of their housing unit. On-site supportive services such as case management, job training, parenting classes, and other supportive programs will be provided by the Ventura County Behavioral Health Department. Many Mansions anticipates completion of the rehabilitation in January of 2012, with occupancy following shortly thereafter.

The total anticipated project cost is \$2,241,703. In addition to City HOME funds, Many Mansions plans to apply for funding from the State Multifamily Housing Program – Homeless Youth Component (MHP-HY), U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program (SHP), a grant from the Federal Home Loan Bank of San Francisco's Affordable Housing Program (AHP), and a conventional loan from a private bank (Attachment #2). The City's

contribution would comprise approximately 13% of the total project cost. The City HOME funds are needed to fill the remaining funding gap after the maximum amount of all other available financing is received. In addition, the HOME funds will enable Many Mansions to leverage other funding for this project and will greatly increase their competitiveness of the funding applications for this project.

The City of Oxnard receives a direct allocation of HOME funds from HUD for financing affordable housing. Fifteen percent (15%) of these funds must be set-aside for the production of affordable housing by Community Housing Development Organizations (CHDO's). Many Mansions is a CHDO certified by the City of Oxnard under the HOME Program.

Many Mansions has substantial affordable housing development and property management experience, having developed and managed 418 units of affordable housing at ten properties throughout Ventura County, which includes five properties that provide supportive housing. Many Mansions will be the developer, and once the project is operational, the property manager. This will be Many Mansion's first project in the City of Oxnard.

FINANCIAL IMPACT

Funds are available in the amount of \$175,000 in the CHDO Development Account FY 2009-10. The balance of \$124,500 is included in the FY 2010-11 recommended budget. Many Mansions' request for funds will be contingent on the City receiving the FY 2010-11 CHDO Development funds.

Attachment #1 – Affordable Housing and Loan Agreement
#2- Financing – Sources of Funds
#3 – Location Map

NOTE: Attachments #1 has been provided to the City Council. Copies are available for review at the Circulation Desk in the Library after 6:00p.m. on the Thursday prior to the City Council meeting and at the City Clerk's Office after 8:00a.m. on Friday prior to the City Council meeting.

Legal fees, permits, furnishings, and capitalized operating reserves required by our other lenders will cost \$146,176. Finally, developer costs (e.g. staff time and resources to acquire the site, apply for funding, coordinate loan closings, coordinate the rehabilitation, and lease-up the property) will cost \$184,000.

Financing ("Sources of Funds")

Based on Many Mansions' financial analysis, this project is developmentally feasible. Financing for this project will include HOME funds from the City of Oxnard, Mental Health Services Act Housing Program (MHSA), Multifamily Housing Program - Homeless Youth Component (MHP-HY), HUD Supportive Housing Program (SHP), and a grant from the Federal Home Loan Bank of San Francisco's Affordable Housing Program (AHP).

The project will have the Predevelopment/Construction Funding 'Sources' as indicated in Table 2 below:

Table 2: Predevelopment/Construction Funding Sources

| No. | Source | Line Position | Amount | Percentage of Total Dev. Cost |
|--------------|--|---------------|--------------------|-------------------------------|
| 1 | Conventional Bridge Loan | 1 | \$760,000 | 34% |
| 2 | MHSA Housing Program | 2 | \$666,106 | 30% |
| 3 | HOME Funds (City of Oxnard) | 3 | \$299,500 | 13% |
| 4 | AHP | 4 | \$80,000 | 4% |
| 5 | Costs Deferred Until Completion ² | N/A | \$436,097 | 19% |
| Total | | | \$2,241,703 | |

The project will have the Permanent Funding 'Sources' as indicated in Table 3 below:

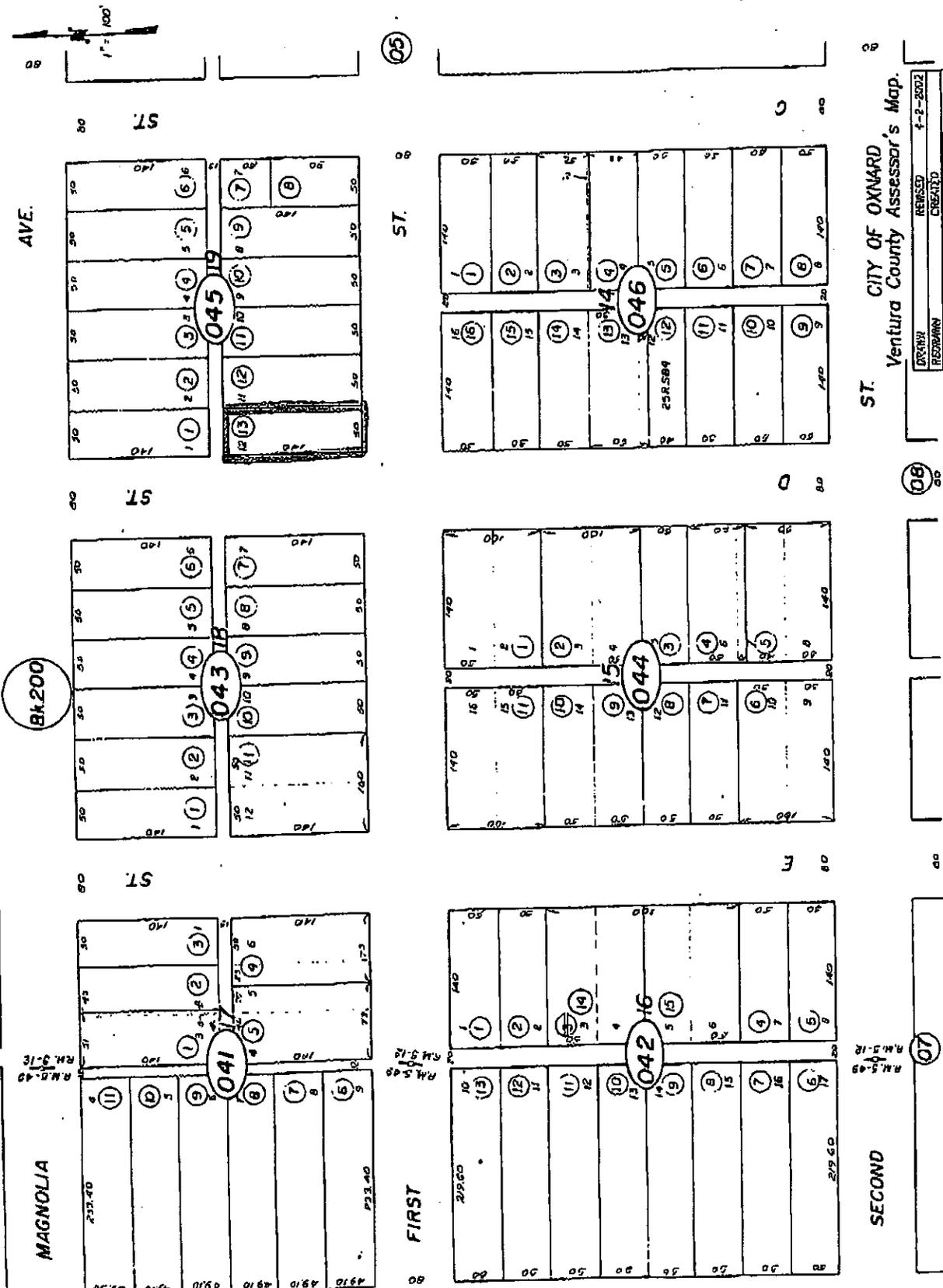
Table 3: Permanent Funding Sources

| No. | Source | Line Position | Amount | Percentage of Total Dev. Cost |
|--------------|-----------------------------------|---------------|--------------------|-------------------------------|
| 1 | MHP-HY | 1 | \$996,097 | 44% |
| 2 | MHSA Housing Program ³ | 2 | \$666,106 | 30% |
| 3 | HOME Funds (City of Oxnard) | 3 | \$299,500 | 13% |
| 4 | SHP | 4 | 200,000 | 9% |
| 5 | AHP | 5 | \$80,000 | 4% |
| Total | | | \$2,241,703 | |

Many Mansions has experience utilizing the proposed funding and is very confident it will be able to secure the necessary financing for this project. Below is a detailed description of each of the proposed funding sources.

² Includes permanent financing costs, reserves, developer fees, and some relocation expenses.

³ MHSA Housing Program funds include a commitment from the Ventura County Behavioral Health Department for supportive services to assist residents and a 30-year Capitalized Operating Subsidy (COS).

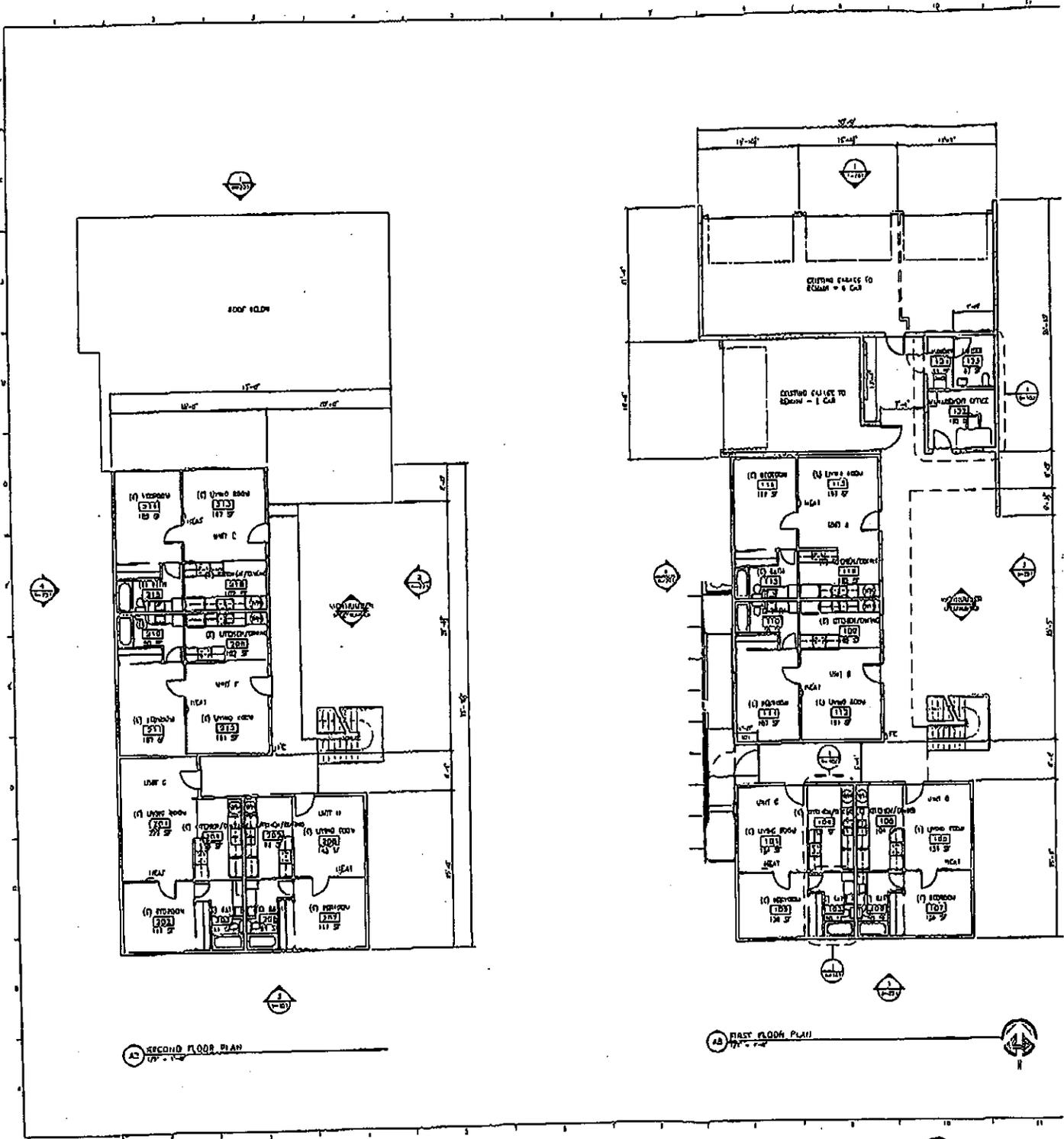


| | | |
|---|---------|--------------------------------|
| APPROVED | REMOVED | 4-2-2012 |
| RECORDED | CREATED | |
| INDEXED | PLATTED | EFFECTIVE |
| | | PREVIOUS BK 202, Parcel No. 04 |
| | | ROLL |
| Compiled By: Ventura County Assessor's Office | | |

Assessor's Block Numbers Shown in Efforts.
Assessor's Parcel Numbers Shown in Circles.
Assessor's Acreal Numbers Shown in Squares.

Oxnard, Henry T. Subdivision M.R. Bk-5, Pg. 49
North Addition of Town of Oxnard, M.R. Bk.5, Pg. 12

ST. CITY OF OXNARD
Ventura County Assessor's Map.



42 SECOND FLOOR PLAN
17'-0" x 27'-0"

43 FIRST FLOOR PLAN
17'-0" x 27'-0"