



Meeting Date: 1/24/12

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
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Larry S. White Agenda Item No. **I-7**  
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) \_\_\_\_\_

**DATE:** January 24, 2012

**TO:** Oxnard Housing Authority Board of Commissioners

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

**SUBJECT:** Las Villas de Paseo Nuevo Affordable Housing Project located at 5637 to 5627 Cypress Road, Oxnard, California.

**RECOMMENDATION**

That the Oxnard Housing Authority Board of Commissioners adopt a resolution authorizing the Housing Authority's Executive Director or designee to execute and take all needed actions in consultation with Housing Authority's general counsel relative to entering into an amended and restated agreement of limited partnership, development agreement, guaranty agreement, pledge and security agreement, indemnity agreement, management agreement, right of first refusal/purchase option agreement and any other agreements for the purpose of developing, maintaining and operating the Las Villas de Paseo Nuevo affordable housing project.

**DISCUSSION**

On November 9, 2010, the Oxnard Housing Board of Commissioners approved and authorized the execution of a Predevelopment Agreement with McCarthy Construction and Ramona Properties to fund certain predevelopment costs associated with obtaining entitlements for the development of 72 units of affordable housing rental units located at 5637 to 5627 Cypress Road in Oxnard, California, commonly referred to as Las Villas de Paseo Nuevo. The Predevelopment Agreement also provided the Housing Authority with an option to purchase the above referenced property.

On June 21, 2011, the Oxnard Housing Board of Commissioners approved and authorized the execution of a first amendment to Predevelopment Agreement that, among other things, assigned the Housing Authority's purchase option to Paseo Nuevo Partners, L.P. ("Partnership"). The intent at the time this first amendment was approved was that the Housing Authority would serve as a general

partner in the Partnership along with Las Cortes, Inc. The purpose of the attached resolution is to provide formal approval of the Housing Authority Board of Commissioners regarding the Housing Authority's serving as a General Partner in the Partnership and authorizing the Housing Authority's participation in the construction, operation and management of the project. Staff is requesting that the Housing Authority Board of Commissioners adopt a resolution authorizing the Executive Director or designee to execute and take all needed action related to the project.

Currently, the project is expecting to receive funding on February 2, 2012 with construction to begin in April. Construction of the project is expected to take twelve to fourteen months.

### **FINANCIAL IMPACT**

By participating in the project the General Partners for the project, the Housing Authority will receive a development fee of \$1,250,000, of which \$300,000 will be paid to Las Cortes, Inc. In addition, the Housing Authority will be entitled to receive 50% of the excess residual receipts from the Partnership.

Attachment #1 – Housing Authority Resolution

HOUSING AUTHORITY OF THE CITY OF OXNARD

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF OXNARD APPROVING LAS VILLAS DE PASEO NUEVO AFFORDABLE HOUSING DEVELOPMENT AND AUTHORIZING ITS EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE AND TAKE ALL NEEDED ACTIONS IN CONSULTATION WITH AUTHORITY'S GENERAL COUNSEL RELATIVE TO ENTERING INTO AN AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP, DEVELOPMENT AGREEMENT, GUARANTY AGREEMENT, PLEDGE AND SECURITY AGREEMENT, INDEMNITY AGREEMENT, MANAGEMENT AGREEMENT, RIGHT OF FIRST REFUSAL/OPTION AGREEMENT, LEASES AND ANY OTHER AGREEMENTS FOR THE PURPOSE OF DEVELOPING, MAINTAINING AND OPERATING THE LAS VILLAS DE PASEO NUEVO AFFORDABLE HOUSING PROJECT.**

WHEREAS, the Housing Authority of the City of Oxnard (the "Authority") is authorized by Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (the "Act") to prepare, carry out, acquire, lease, finance and operate housing projects for persons of low income and to enter into agreements for the purpose of developing and providing financing for the development of multifamily rental housing facilities located within the jurisdiction of the Authority; and

WHEREAS, the Authority hereby finds and declares that it is necessary, essential and a public purpose for the Authority to enter into a variety of agreements necessary to secure both the development and needed funding of a proposed 72 unit multifamily apartment complex for persons of low income to be located at 5637 to 5627 Cypress Road, Oxnard, California ("Property") and known as Las Villas de Paseo Nuevo ("Proposed Project"); and

WHEREAS, the Proposed Project has received an allocation of Low Income Housing Tax Credits to fund the development of the Proposed Project; and

WHEREAS, in furtherance of the Proposed Project the Authority deems it necessary to (i) become a general partner of the Partnership in which First Sterling Financial, Inc. and First Sterling Corporate Services, Inc. shall be a limited partner and a special limited partner respectively, (ii) enter into an Amended and Restated Agreement of Limited Partnership, Reporting Services Agreement, Guaranty Agreement, Incentive Management Fee Agreement, Pledge and Security Agreement, Right of First Refusal/Purchase Option Agreement, Indemnity Spreader Agreement, Development Agreement and Managing General Partner Services Agreement (collectively, "Partnership Documents") and (iii) due to tax reasons, the Housing Authority will serve as the managing member of a to be formed limited liability company (LLC) that will serve as the general partner of the Partnership; and

WHEREAS, the Partnership Documents have been placed on file with the Authority prior to this meeting and are available for public inspection and review; and

WHEREAS, in furtherance of the Proposed Project and pursuant to a separate resolution of the Authority, the Authority shall issue and sell the Housing Authority of the City of Oxnard 2012 Multifamily Mortgage Revenue Note (Las Villas de Paseo Nuevo) in the aggregate principal amount not to exceed \$15,000,000 (the "Note"); and

WHEREAS, in furtherance of the Proposed Project the Citibank, N.A. ("Bank") shall use the Note proceeds to fund certain loans ("Bank Loans") to the Partnership including (i) a construction loan in the approximate principal amount of \$13,000,000 ("Construction Loan"), and (ii) a permanent term loan in the approximate principal amount of \$7,800,000 to be funded upon maturity of the Construction Loan; and

WHEREAS, the Authority has determined that the approval of this Resolution and the acts authorized therein is covered by the General Rule Exemption set forth in Section 15061 (b) (3) of Division 6 of Title 14 of the California Code of Regulations that exempts those projects where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. As such, the approval of this Resolution is exempt from preparing an environmental document pursuant to the California Environmental Quality Act; and

WHEREAS, the Authority hereby finds and declares that this Resolution is being adopted by the Authority pursuant to the powers granted under the Act.

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority of the City of Oxnard, as follows:

1. The Authority hereby finds and declares that the above recitals are true and correct.
2. That the Housing Authority is authorized to execute and deliver any and all agreements and do any acts necessary or desirable to form the LLC, including executing an operating agreement and filing articles of organization.
3. The Authority hereby approves the Proposed Project and authorizes Authority's Executive Director or his designee to take all needed actions in consultation with Authority's General Counsel relative to (i) the Partnership Documents, (ii) the Bank Loans, and (iii) any other agreements for the purpose of developing, maintaining and operating the Proposed Project.
4. That the Executive Director is directed to prepare and file a Notice of Exemption with the County Clerk.

Passed and adopted this 24<sup>th</sup> day of January, 2012, by the following vote:

AYES:

NAYS:

ABSENT:

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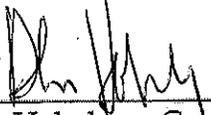
Dr. Thomas E. Holden, Chairman

ATTEST:

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Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



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Alan Holmberg, General Counsel