

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-6

Reviewed By: City Manager

JLB

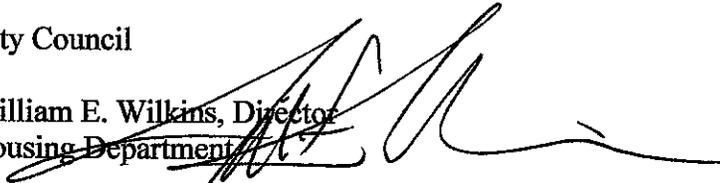
City Attorney

DH

Finance

JL

Other (Specify)

DATE: March 15, 2012**TO:** City Council**FROM:** William E. Wilkins, Director
Housing Department**SUBJECT:** Amendment to Resale Restriction Agreement with Peter A. Cortez**RECOMMENDATION**

That City Council approve and authorize the Mayor to execute an Amendment to the Resale Restriction Agreement (Number A7479) with Peter A. Cortez for his residence at 2804 Riverpark Blvd., allowing the Cortez family to lease the residence to a low-income family through April 30, 2014.

DISCUSSION

In December of 2006, Mr. Pedro Cortez purchased an affordable home in the Destination development in Riverpark. Mr. Cortez applied for and received down-payment assistance for the purchase of his unit. Purchasers of homes designated as affordable were subject to income limits, and certain restrictions which require purchasers to reside in the unit.

Section 3 of the "Resale Restriction Agreement" executed at the time of purchase stipulates that the purchaser "shall not lease or assign the right to occupy the home" during the 45-year term of the Agreement. Owners are thus required to live in the home, as a condition of receiving the subsidy which made it possible for them to purchase the unit at an affordable sales price. Sales prices for homeowners who elect to sell their homes are limited by certain "Restriction on Resale Price" provisions set forth in the Agreement.

Mr. Cortez is a civilian employee of the United States Navy. On February 22, 2012, Mr. Cortez submitted a letter to the City requesting permission to lease the home based on circumstances related to the fact that he is currently on assignment with the Navy overseas. In that letter (Attachment No. 1) Mr. Cortez, who is currently stationed with Naval Facilities Engineering Command in Italy, sets forth his request as follows:

“This tour will end in April 2014 when I will return to Oxnard and my home. However, since the approved selling price of my house has considerably dropped, almost 30%, it has now become impossible to both sell my home and make payments while overseas. I am kindly asking both yourself and the City of Oxnard if the restriction on renting my unit can be temporarily lifted through my return date of April 2014.”:

Mr. Cortez submitted a document dated February 8, 2012, signed by his Commanding Officer, confirming his assignment in Italy for 24 months, ending in April 2014.

In a recent case, an Oxnard resident who had purchased a restricted unit sought a waiver of the owner-occupancy requirement due to an out-of-area military assignment, similar to that being sought by Mr. Cortez. In that case, Council approved, on December 8, 2011, a staff recommendation to grant a waiver of the owner-occupancy requirement through the term of the homeowner's current out-of-area assignment (but not beyond that term). The waiver was granted with the requirement that the home be leased to an income-qualified family, in order to preserve the affordability of the housing unit.

The City has an interest in maintaining Mr. Cortez' unit as part of Oxnard's affordable housing stock. Given his stated intention to return to Oxnard in two years, staff recommends that Council approve an agreement granting Mr. Cortez permission to lease the unit through April 2014, with the provision that it be leased to an income-qualified family and that the rent not exceed an affordable rent for a low-income family (as defined by the federal Department of Housing and Urban Development) or as determined by the Section 8 Housing Choice Voucher rent program (if rented to a Section 8 participant family).

Approval of the Amendment to Resale Restriction Agreement (Attachment Number 2) would accomplish these ends, allowing Mr. Cortez to continue to own the home April 30, 2014.

FINANCIAL IMPACT

There is no financial impact for the FY 2011-2012 budget.

ATTACHMENTS

- #1 - Letter from Peter A. Cortez, dated February 22, 2012
- #2 - Amendment to Resale Restriction Agreement dated March 27, 2012

PSC 817 Box 51 • FPO, AE [Armed Forces Europe] 09622 • Phone: 805 201 7985
E-Mail: peter.cortez@eu.navy.mil, petercortez@gmail.com



Date: February 22, 2012

Mr. Karl Lawson
Interim Program Manager
City of Oxnard

Dear Mr. Lawson,

I am kindly asking the City of Oxnard Housing Department to temporarily lift the rental restriction on my property, located at 2804 Riverpark Blvd, 93036. In December 2006, I graciously became a homeowner through the City of Oxnard's low income, first time home buyer program. Both the City of Oxnard and the United States Navy gave me an opportunity that I hope can continue through my current tour.

I have PCSed [permanent change of station] and currently reside in Naples, Italy supporting the Naval Facilities Engineering Command. This tour will end in April 2014 where I will return to Oxnard and my home. However, since the approved selling price of my house has considerably dropped, almost 30%, it has now become impossible to both sell my home and make payments while overseas. I am kindly asking both yourself and the City of Oxnard if the restriction on renting my unit can be temporarily lifted through my return date of April 2014.

While my current residence is in Italy, home is truly where the heart is and cannot wait to reside in Oxnard once again. Please see attached orders and let me know of any further documents needed.

Thank you for your continued support of the United States Navy in Europe, Africa and Southwest Asia.

Sincerely,

Peter (Pedro) A Cortez



OVERSEAS TOUR EXTENSION REVIEW

1. EMPLOYEE CORTEZ PEDRO A		3. ACTIVITY NAVFAC EURAFSWA, NAPLES ITALY	
4. Position Title/Plan/Grade/Code		5. Return Rights: (Yes/No) yes	
6. Last Extension Date/ N/A		7. Date New Tour Extension Expires: 1306/2014	

11. DEPARTMENT HEAD/COMMANDING OFFICER APPROVAL/RECOMMENDATION:

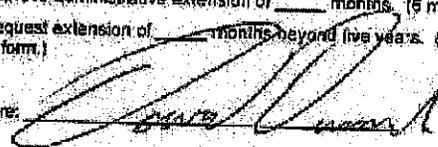
Notify employee to exercise return rights/register in PPP as appropriate.

Approve tour extension of 24 months not to exceed five years overseas.

Approve tour renewal of 12, 18 or 24 months not to exceed five years overseas. (Circle 12, 18 or 24 as appropriate for renewal tour in geographic location listed in JTR Vol 2, Appendix C.)

Approve administrative extension of _____ months. (5 month maximum)

Request extension of _____ months beyond five years. (May require higher-level approval. Please refer to Page 3 instructions. Complete Page 2 of form.)

Signature:  Date: 2/07/12

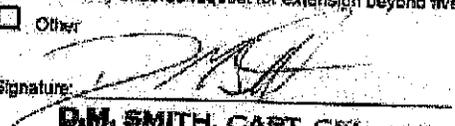
Type/Print Name and Title

12. ACTIVITY HEAD, N Code or RPD ENDORSEMENT

Approved Disapproved (Extensions up to 5 years or 6 month admin extensions over 5 years)

Favorably endorse request for extension beyond five years (See justification contained on page 2.)

Other

Signature:  Date: 8 FEB 2012

D.M. SMITH, CAPT, CEC, USN
Type/Print Name and Title

**AMENDMENT TO RESALE RESTRICTION AGREEMENT
(LOW-INCOME FAMILY/CORTEZ)**

This "Amendment to Resale Restriction Agreement, Low-Income Family" (hereinfter "Amendment") amends that certain "Resale Restriction Agreement, Low-Income Family" ("Agreement") entered into as of December 13, 2006, by and between the City of Oxnard ("City") and Pedro A. Cortez ("Owner").

RECITALS

This Agreement restricts Owner's right to transfer the residence (the "Property") which is the subject of the Agreement. The Agreement provides in Paragraph 3.(B) that "The Owner shall not lease or assign the right to occupy the Home during the term of this agreement."

In February 22, 2012, the Owner requested that the provisions of the Agreement be temporarily waived based on a claim of hardship. Specifically, Owner requests permission to lease the property to another family until April of 2014, when Owner's overseas assignment as a civilian employee of the United States Navy will end. The City has examined the particular facts and circumstances and agrees to grant Owner's request with certain conditions, as set forth hereinbelow.

AGREEMENT

Owner and the City agree as follows:

1. Notwithstanding the terms of the Agreement, Owner may lease the Property to a low-income family. Under no circumstance will Owner rent to a family that does not fall under the U. S. Housing and Urban Development Department's definition of low-income.
2. The monthly rental cost shall not exceed an amount that is affordable to a low-income family under applicable law, based on 80% of the Median Income for Ventura County, adjusted for family size. If the Owner opts to participate in the Oxnard Housing Authority's Section 8 Housing Choice Voucher program, the maximum rent shall not exceed the Fair Market Rent for the home, in accordance with standard procedures as established by the Oxnard Housing Authority
3. The term of this Amendment shall be from March 27, 2012, through April 30, 2014.

4. Except as amended by this Amendment, the Agreement remains in full force and effect. Following termination of this Amendment, Owner shall be bound by all terms and conditions of the Agreement of December 13, 2006.

BY:

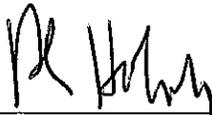
Dr. Thomas E. Holden, Mayor
City of Oxnard

Pedro A. Cortez, Owner
PSC 817 Box 51
Armed Forces Europe 09662

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

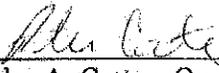


Alan Holmberg, City Attorney

4. Except as amended by this Amendment, the Agreement remains in full force and effect. Following termination of this Amendment, Owner shall be bound by all terms and conditions of the Agreement of December 13, 2006.

BY:

Dr. Thomas E. Holden, Mayor
City of Oxnard



Pedro A. Cortez, Owner
PSC 817 Box 51
Armed Forces Europe 09622

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Alan Holmberg, City Attorney

