CITY OF
OXNARD
CALIFORNIA

Meeting Date: 9/25/12

ACTION	TYPE OF ITEM
☐ Approved Recommendation	Info/Consent
☐ Ord. No(s). _____	☑ Report
☐ Res. No(s). _____	☐ Public Hearing (Info/consent)
☐ Other _____	☐ Other _____

Prepared By: Larry White _____ Agenda Item No. O-2

Reviewed By: City Manager _____ City Attorney _____ Finance _____ Other *(Specify)* _____

DATE: September 4, 2012

TO: City Council
Housing Authority Commission

FROM: William E. Wilkins, Housing Director

SUBJECT: **Terraza de Las Cortes, L.P. by the Housing Authority and Las Cortes, Inc.**

RECOMMENDATION:

(1) That the Housing Authority Board of Commissioners authorize negotiation of a Partnership Agreement to be returned for approval, between the Housing Authority and Las Cortes, Inc. for purpose of developing and operating a 64 unit multi-family affordable housing project to be known as Terraza de Las Cortes ("Project") on property currently owned by the Housing Authority.

(2) That the City Council approve a special budget appropriation in the amount of $3.3 million to the Project.

DISCUSSION

The Project is located on a vacant parcel of land owned by the Housing Authority and currently developed with 260 public housing units, commonly known as The Courts. The revitalization of the existing 260 affordable units is the subject of a separate Development Agreement for The Courts Housing Project between the Housing Authority and The Courts, Oxnard, L.P.

The entire property is subject to the Las Cortes Specific Plan ("Specific Plan"), which was adopted by the City Council in August 16, 2007. The Specific Plan authorizes the development of a 64 unit multi-family affordable housing development on the property.

The Housing Authority, in conjunction with Las Cortes, Inc., desires to develop the Project using a combination of 4% low income affordable housing tax credits and tax exempt bonds.

In order to accomplish this project, the following will need to occur:

First, the Housing Authority and Las Cortes, Inc. will need to form Terraza de Las Cortes, L.P., a California limited partnership ("Partnership").

Next, the Partnership will need to obtain all necessary entitlements from the City for the development of the Project. Housing Authority Staff has been informed by Planning staff that under the Specific Plan, all that is necessary to entitle the Project, is a development design review permit, which can be approved by the Development Services Director or his designee.

Once entitlements have been obtained from the City, the Partnership will apply for an allocation of 4% tax credits from the California Tax Credit Allocation Committee and tax exempt bonds from the California Debt Limit Allocation Committee. The application for tax credits and tax exempt bonds will happen concurrently. Depending upon how quickly entitlements are obtained from the City, the Partnership will apply for an allocation of tax credits and tax exempt bonds in either late 2012 or early 2013.

FINANCIAL IMPACT:

The total costs of the Terraza de Las Cortes Project (Project No. 135101) is $16,392,930 of which $1.3 million will be funded from the Housing In-Lieu Fee Fund (Account No. 371-5135-804-8495) for predevelopment costs & fees and $2 million will be funded from the Local Housing Trust Fund (Account no. 372-5135-804-8495).

Attachment #1 - Special Budget Appropriation

REQUEST FOR SPECIAL BUDGET APPROPRIATION

Date: September 5, 2012

Department: Housing

Project/Program Manager: Larry White

Phone: 805-385-8235

Reason for Appropriation:

To fund the development of Terraza de Las Cortes Project (Project No. 135101). The Housing In-Lieu Fee Fund will fund the predevelopment costs & fees and the Local Housing Trust Fund will fund the construction of the sixty four affordable family units.

Accounts and Descriptions		AMOUNT
Fund: HOUSING-IN-LIEU FEES FUND (371)		
Expenditures/Transfers Out		
TERRAZA DE LAS CORTES (Project No. 135101)		
371-5135-804.84-95	OTHER SERVICES / CONTRACTUAL-LOW HOUSING P	1,300,000
	Sub-total Expenditures	1,300,000
	Net Change to Fund Balance	(1,300,000)
Fund: AFFORD.RENTAL HOUSING FUND (372)		
Expenditures/Transfers Out		
TERRAZA DE LAS CORTES (Project No. 135101)		
372-5135-804.84-95	OTHER SERVICES / CONTRACTUAL-LOW HOUSING P	2,000,000
	Sub-total Expenditures	2,000,000
	Net Change to Fund Balance	(2,000,000)
	Net Appropriation Change	**3,300,000**

Approvals

Department Director

Chief Financial Officer James Cameron

City Manager

Attachment No. 1
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REQUIRES CITY COUNCIL AUTHORIZATION