HERO
Redevelopment
Project Area

PASEO NUEVO
California Health and Safety Code
Section 33413.5

City of Oxnard
Community Development
Department
214 South C Street
Oxnard, CA 93030

REPLACEMENT HOUSING PLAN

Background
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Project Location:

5655, 5667, 5701, 5703-5705, 5709, 5711, 5713,
5715 and 5727 Cypress Road, Oxnard, California

Assessor Parcel Nos.:

222-0-070-110, 222-0-070-190,
222-0-070-155 and 222-0-070-185

Adopted By:

City Council,
Community Development Commission
and Housing Authority

Date Adopted:

[to be inserted]

REPLACEMENT HOUSING PLAN
PAESO NUEVO PROJECT

INTRODUCTION

Background: This Replacement Housing Plan has been prepared for the Oxnard Community Development Commission ("CDC") pursuant to Section 33413.5 of the California Health and Safety Code. By law, the CDC is required to adopt a Replacement Housing Plan prior to any action which would lead to the destruction or removal of dwelling units from the low and moderate-income housing market. The CDC is contemplating financial involvement in a project commonly known to as *Las Villas de Paseo Nuevo* (hereinafter referred to "Paseo Nuevo") to facilitate the development of 71 apartment units, restricted in occupancy and made affordable exclusively to persons and families of low and moderate income. Development of the project necessitates the removal of dwellings occupied by low and moderate income persons; hence, the reason this Plan is required.

Project Site: Paseo Nuevo involves the redevelopment of 4.93 acres of land located in the Cypress Neighborhood within the in the Historic Enhancement and Revitalization of Oxnard ("HERO") Project Area. The property location is identified as 5655, 5667, 5701, 5703-5705, 5709, 5711, 5713, 5715 and 5727 Cypress Road, Oxnard, California, Ventura County Assessor's Parcel Numbers: 222-0-070-110, 222-0-070-190, 222-0-070-155 and 222-0-070-185 (the "Site"). Approximately 25% of the Site is currently vacant; the balance is developed with an assortment of residential buildings and accessory structures.

Dwellings to Be Removed: The scope of development contemplates the removal of 22 residential dwellings. A detailed inventory of potential displacement appears in Table 1. In summary, there are seven dwellings that are presently occupied by extremely low income households, nine dwellings are occupied by very low income households, and five dwellings are occupied by lower income households. One dwelling is unoccupied.

TABLE 1: DISPLACED DWELLINGS					
Unit I.D.	No. of Bedrooms	No. of Persons	Current Contract Rent	Occupant Household Income	Income Classification
1	2	7	$ 1,130	$ 50,400	Very Low
2	2	6	$ 1,130	$ 41,112	Very Low
3	2	9	$ 1,100	$ 16,644	Extremely Low
4	2	Vacant	$ 1,200	$ -	Moderate
5	2	8	$ 1,300	$ 80,640	Lower
6	2	25	$ 1,350	$ 64,440	Extremely Low
7	2	7	$ 1,000	$ 59,280	Lower
8	2	6	$ 1,135	$ 13,776	Extremely Low
9	3	12	$ 1,350	$ 77,424	Lower
10	2	10	$ 1,130	$ 21,600	Extremely Low
11	2	5	$ 850	$ 24,900	Extremely Low
12	1	6	$ 885	$ 19,500	Extremely Low
13	2	5	$ 1,085	$ 36,396	Very Low
14	2	12	$ 975	$ 82,800	Lower
15	3	10	$ 1,150	$ 42,996	Very Low
16	2	8	$ 850	$ 47,844	Very Low
17	3	11	$ 960	$ 40,404	Extremely Low
18	2	9	$ 920	$ 73,200	Lower
19	2	7	$ 950	$ 32,400	Very Low
20	2	11	$ 950	$ 44,880	Very Low
21	2	4	$ 815	$ 41,400	Very Low
22	1	3	$ 800	$ 29,856	Very Low

SOURCE: Draft Relocation Plan, Hamner, Jewell & Associates, February 23, 2011.
NOTES: Data is preliminary based on tenant interviews and subject to further verification. Income classifications are based on current State Income Guidelines (2010). Unit #4 (although presently vacant) is deemed affordable to a moderate income household based on statutory affordability formulas.

REPLACEMENT PROVISIONS

Dwellings to be Replaced: By virtue of providing financial assistance to the proposed project, CDC must assure that an equal number of replacement dwellings (with a unit mix equal or greater number of bedrooms as those destroyed or removed units) will be provided within four years of destruction or removal. Furthermore, the replacement units must be located somewhere within the City and must be affordable persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units. As shown in Table 2, all of the replacement dwellings attributable to Paseo Nuevo will be developed on the same Site from which the existing dwellings will be removed. Table 2 also evidences that unit mix of replacement dwellings conforms to tenant incomes and bedroom counts appearing in Table 1.

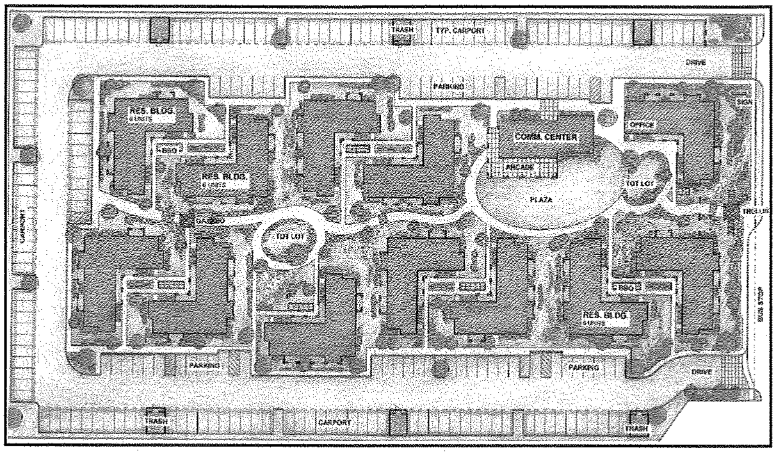

TABLE 2: REPLACEMENT DWELLINGS				
	1 Bedroom	2 Bedroom	3 Bedroom	Total Units
Units To Be Removed				
Very Low Income	2	12	2	16
Lower Income		4	1	5
Moderate Income		1		1
Total	2	17	3	22
Units To Be Replaced by Project				
Very Low Income		16	5	21
Lower Income		6	40	46
Moderate Income		2	2	4
Total		24	47	71
Inclusionary Units Required				
Very Low Income		1	3	5
Lower Income		1	2	3
Moderate Income		1	2	3
Total		4	7	11
Net Surplus/(Deficit)				
Very Low Income		1	0	0
Lower Income		1	37	38
Moderate Income		0	0	0
Total		1	37	38
NOTES: 1-bedroom units to be removed have been added to the inventory of 2-bedroom units to be replaced as allowed by Section 33413(a) of the California Health and Safety Code.				

Financing and Implementation: Financing for Paseo Nuevo encompasses a combination of sources including tax exempt bonds and investor equity, solar tax credit equity and rebates, carryback financing by the Site seller, deferred developer and contractor fees, City in-lieu fees, and CDC loan proceeds. As shown in Table 3, the total cost of developing Paseo Nuevo is estimated at $26.7 million and identified funding sources are sufficient to complete the project. Before existing dwellings are removed from the Site, the developer of Paseo Nuevo must evidence (to the reasonable satisfaction of the Director of Community Development) that financing commitments have been secured in amounts at least equal to the estimated cost of construction. This covenant is embodied in the proposed Loan Agreement between CDC and the project sponsor. In addition, the project sponsor is required to develop the replacement units not later than four (4) years following clearance of the Site.

TABLE 3: PROJECT FINANCING	
Permanent Financing Sources:	
Tax-Exempt Bonds	$ 7,600,000
Tax Credit Equity	$ 7,606,672
Solar Tax Credit Equity	$ 207,000
Solar Rebates	$ 390,000
Seller Carryback Note and Accrued Interest	$ 2,183,326
City In-Lieu Financing and Accrued Interest	$ 2,069,667
CDC Loan and Accrued Interest	$ 5,133,925
Deferred Contractor Fee	$ 256,970
Deferred Developer Fee	$ 1,50,000
Total	$26,697,559
Construction Financing Sources:	
Tax-Exempt Bonds	$11,724,700
Tax Credit Equity	$ 2,282,002
Solar Rebates	$ 390,000
Seller Carryback Note and Accrued Interest	$ 2,183,326
Deferred Contractor Fee	$ 256,970
City In-Lieu Financing and Accrued Interest	$ 2,069,667
CDC Loan and Accrued Interest	$ 5,133,925
Deferred Contractor Fee	$ 256,970
Deferred Developer Fee	$ 2,400,000
Total	$26,697,559

Consistency with Article XXXIV: CDC financial involvement in Paseo Nuevo is proposed in the form of a $5 million loan of low and moderate income funds, repayable from project cash flow. Under the Loan Agreement, the CDC proposes affordable housing obligations that have been crafted to conform to the requirements of Article XXXIV of the California Constitution, and therefore does not require voter approval, as follows: (i) the Site will be developed and owned by an entity other than a state public body; (ii) the Developer will receive no ad valorem property tax exemption other than expressly allowed pursuant to Sections 214(f) and (g) of the Revenue and Taxation Code; and (iii) not more than forty-nine percent (49%) of the affordable dwellings shall be restricted for occupancy by persons of low income.