

TO: James App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: Oak Park Senior Housing Appropriation
DATE: March 4, 2008

Needs: For the City Council to appropriate \$1,200,000 in Redevelopment Low and Moderate Income Housing (LMIH) Funds for the Oak Park Senior Housing Project.

- Facts:
1. At its meeting of December 6, 2005, the Redevelopment Agency adopted Resolution RA 05-03 approving an Implementation Agreement to a Participation Agreement for Oak Park Senior Housing, now known as Chet Dotter Senior Housing, at 801 – 28th Street.
 2. The Implementation Agreement approved a loan of \$1.2 million in LMIH Funds to the Paso Robles Nonprofit Housing Corp. for the purpose of repaying the principal amount on a HELP loan from the California Housing Finance Agency (CalHFA).
 3. The Implementation Agreement provides that payments on the loan to the Nonprofit Housing Corp. will be deferred for 55 years and will be forgiven if, after 55 years, the housing project has been continually operated as a low income senior housing project.
 4. The Implementation Agreement provides that the \$1.2 million will be disbursed in four annual payments of \$300,000 commencing 30 days after issuance of a Certificate of Occupancy.
 5. The housing project was granted a Certificate of Occupancy on January 14, 2008.
 6. The terms of the \$1.2 million loan from CalHFA are that payments are deferred for 10 years (but may be repaid at any time without penalty) and the principal accrues interest at a 3 percent simple rate.
 7. The Implementation Agreement also provides that the Nonprofit Housing Corp. promptly use the funds to prepay a portion of the loan from CalHFA and to provide the Agency with evidence of prepayment.
 8. The \$1.2 million has yet to be appropriated to the budget. Appropriation must be completed before the first payment of \$300,000 is made.
 9. All appropriations of redevelopment funds, including LMIH funds, are accomplished via an ordinance of the City Council.

Analysis &
Conclusion: The appropriation of the \$1.2 million is part of the budgetary process for implementing the Implementation Agreement. It is common to schedule appropriation to occur shortly prior to disbursement of funds as a means of simplifying the annual budget carry-over procedure.

Policy

Reference: Resolution RA 05-03

Fiscal

Impacts: As noted in Fact #2, above, the \$1.2 million loan expense was previously approved by the Redevelopment Agency on December 6, 2005.

Options: That the City Council take one of the following options:

- a. Introduce for first reading, Ordinance XXX N.S. amending the Fiscal Year 2007/08 Budget to appropriate \$1,200,000 in redevelopment funds to be used as a loan to the Paso Robles Nonprofit Housing Corp. for the financing of construction of a 40 unit senior housing complex at 801 – 28th Street, and set March 18, 2008 as the date for adoption of said Ordinance.
- b. Amend, modify, or reject the above options.

Prepared by: Ed Gallagher, City Planner

Attachment: Ordinance XXX N.S. Amending the Fiscal Year 2007/08 Budget

ED:\OAK PARK\SENIOR HOUSING 2001\PARTICIPATION AGREEMENT\2005 REQUEST\RDA REPORT 030408 – APPROPRIATION

ORDINANCE NO. _____ N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
AMENDING CHAPTER 3.40 REVENUE AND FINANCE OF THE MUNICIPAL CODE
TO MODIFY THE FISCAL YEAR 2007/2008 BUDGET FOR THE
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES

The City Council of the City of El Paso de Robles, State of California, does hereby ordain as follows:

SECTION 1. That a budget amendment, for the Redevelopment Fund, in the amount, and for the purpose set forth below, for the Redevelopment Agency of the City of El Paso de Robles for the fiscal year commencing July 1, 2007 and ending June 30, 2008 is hereby approved and adopted for said fiscal year.

- a. \$1,200,000 as authorized by Redevelopment Agency Resolution RA 05-03, to be used as a loan to the Paso Robles Nonprofit Housing Corp. for the financing of construction of a 40 unit senior housing complex at 801 – 28th Street, account number 701-810-5452-597; and

SECTION 2. That the budget amendment for expenditures as proposed shall be and become appropriated to the Agency for the respective objects and purposes therein set forth below, subject to expenditures pursuant to the provisions of all applicable statutes of this State.

SECTION 3. That the Agency hereby finds and determines:

- a. That the proposed budget amendment is for a Redevelopment activity consistent with California Health and Safety Code Section 33678 in that they are for carrying out the Redevelopment Project and related development activities, as defined in California Health and Safety Code Sections 33020 and 33021, and primarily benefit the Redevelopment Project.
- b. That the proposed budget amendment is for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing pursuant to California Health and Safety Code Section 33334.2.
- c. That none of the funds are to be used for the purposes of paying for employee or for contractual services for the City of El Paso de Robles or any other local government agency, except for such services which are directly related to Redevelopment activities as defined in California Health and Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law.

SECTION 4. That the appropriation and expenditure of funds shall be consistent with the terms as established by cooperative agreement between the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles per Agency and City adopting implementing resolutions.

SECTION 5. Publication. The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 6. Effective date. This ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

SECTION 7. Inconsistency. To the extent that the terms of provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.

SECTION 8. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portion of this Ordinance.

The City Council hereby declares that it would have passed this ordinance by section, subsection, sentence, clause or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.

Introduced at a regular meeting of the City Council held on March 4, 2008, and passed and adopted by the City Council of the City of El Paso de Robles on the 18th day of March, 2008, by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Frank R. Mecham, Mayor

ATTEST:

Deborah D. Robinson, Deputy City Clerk