



CITY COUNCIL AGENDA REPORT
REPORTS
AGENDA ITEM NO. K.3.

DATE: January 21, 2020
TO: Housing Authority Board
FROM: Emilio Ramirez, Housing Director, (805) 385-8094, emilio.ramirez@oxnard.org
SUBJECT: Demolition of Colonia Village. (5/10/5)

RECOMMENDATION

That the Housing Authority Board of Commissioners adopt a resolution approving an amendment to the Public and Indian Housing Information Center (PIC) Application DDA0001989 at Colonia Village, CA031001 allowing for the demolition of the existing public housing units prior to the disposition of such property in accordance with existing HUD approval and approving and authorizing an unsecured promissory note (predevelopment loan) for the purpose of providing for the immediate demolition of the existing public housing units.

BACKGROUND

The Colonial Village, also known as The Courts, is a 260-unit public housing development generally located along First Street between Rose Avenue and Marquita Street, Oxnard, California ("Property"), which development was originally constructed in 1952. Due to the condition of the units, the Oxnard Housing Authority ("Authority") requested that the United States Department of Housing and Urban Development ("HUD") allow for the demolition and disposition of the Property in accordance with Section 18 of the U.S. Housing Act of 1937. The Authority received HUD's approval of such disposition in a letter from HUD dated March 20, 2008. That approval has subsequently been amended several times by HUD upon Authority's request.

On September 18, 2012, the Authority and UHC 00558 Oxnard, L.P., a California limited partnership ("Developer") entered into a Development Agreement for the revitalization of the 260 public housing units located on the Property. The Development Agreement sets forth the terms and conditions under which the Developer would demolish the existing 260 public housing units and construct 273 new affordable rental units on the Property.

As of now, 114 of the original 260 public housing units have been demolished and the Developer has constructed 144 new affordable rental units. In addition, the Authority constructed the Terraza De Las Cortes development consisting of 64 new affordable rental units on a portion of the Property and on adjacent property. The Developer is currently arranging financing for the development of the next phase of the Courts Project consisting of the demolition of the remaining 146 public housing units and the construction of 129 new affordable rental units.

The remaining 146 public housing units are vacant and the tenants have all been relocated. Because the remaining 146 public housing units are dilapidated and could become an attractive nuisance and safety hazard, the Authority desires to demolish the existing public housing units prior to transferring the Property to the Developer. The Authority will need to provide the necessary funds, through an unsecured promissory note not to exceed \$2,500,000, to finance the demolition of the existing public housing units by Developer. The loan will be funded from the Authority's Non-HUD funds. Ultimately, the demolition costs will all be borne by the Developer in accordance with the Development Agreement and the loan will be repaid to the Authority.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

FINANCIAL IMPACT

The Authority will loan up to \$2,500,000 to the Developer to allow for the immediate demolition of the existing public housing units. This unsecured loan will be repaid by the Developer in connection with Developer's construction of the next phase as required by the Development Agreement between the Authority and the Developer.

COMMITTEE OUTCOME

The subject request did not originate in Committee, however staff provided an update on the overall redevelopment efforts to the Housing and Economic Development Committee on December 10, 2019,

Prepared by: Emilio Ramirez, Housing Director

ATTACHMENTS

1. Resolution Colonia Village