



City of Loma Linda Official Report

Rhodes Rigsby, Chairman
Ovidiu Popescu, Vice-Chairman
Stan Brauer, Member
Ronald Dailey, Member
Phillip Dupper, Member

HOUSING AUTHORITY AGENDA: June 12, 2012

Approved/Continued/Denied By Housing Authority Date _____

TO: Housing Authority

VIA: T. Jarb Thaipejr, Executive Director

FROM: Pamela Byrnes-O'Camb, Secretary

SUBJECT: **Joint Public Hearing** of the City Council and Housing Authority pertaining to the sale of property and approving Housing Disposition Agreement between Robin Escobar, Mark Boyer and the City/Authority regarding 25530 Portola Loop; Jesus A. and Maria A. Leyva and City/Authority regarding 24966 Court Street [City Clerk/Authority Secretary]

- a. LLHA Bill #R-2012-09 - Authorizing the sale of 25530 Portola Loop to Robin Escobar and Mark Boyer and approving the Housing Disposition Agreement
- b. Council Bill #R-2012-25 – Consenting to the sale of 25530 Portola Loop to Robin Escobar and Mark Boyer
- c. LLHA Bill #R-2012-10 - Authorizing the sale of 24966 Court Street to Jesus A. & Maria A. Leyva and approving the Housing Disposition Agreement
- d. Council Bill #R-2012-33 – Consenting to the sale of 24966 Court Street to Jesus A. & Maria A. Leyva

RECOMMENDATION

It is recommended that the City Council adopt Council Bills # R-2012-25 and 33 and the Authority Board adopt LLHA Bills #R-2012-09 & 10 approving the Housing Disposition Agreement between Robin Escobar and Mark Boyer and Jesus A. and Maria A. Leyva and the Loma Linda Housing Authority regarding 25530 Portola Loop and 24966 Court Street, respectively.

BACKGROUND

Sale of residential units/properties was negatively impacted by the enactment of ABx1 26 (the “2011 Dissolution Act”) which provided generally for the dissolution of all redevelopment agencies in the State of California, and which effected, for several months, a freeze on the entering into of contracts. The 2011 Dissolution Act was challenged by litigation initiated during 2011; that litigation was decided by the California Supreme Court in a manner which upheld the 2011 Dissolution Act.

Under the 2011 Dissolution Act, housing assets of a redevelopment agency become assets of a successor housing agency as designated by the city council of the host city. In the case of housing assets of the

Redevelopment Agency, the Loma Linda City Council, which had previously activated a local housing authority, the Loma Linda Housing Authority (“Housing Authority” herein), designated the Housing Authority to receive the housing assets of the former Redevelopment Agency.

One of the houses is located in the Parkside Homes Development which consists of 58 single-family units of which 35 have long-term affordability covenants that run with the land for a state mandated period of time.

The former Redevelopment Agency purchased the Portola Loop house from an investor who acquired it through a foreclosure auction. The Court Street House was acquired directly from the owner. New buyers have qualified to purchase the houses and as previously authorized, the seller (LLHA), will carry back a mortgage for the amount of the purchase price (less any cash down payment by the homebuyers) for a period of up to 30 years. The covenants run with the land for a period of 45 years.

The Agreements also provide for monthly payments that include principal, interest, taxes, and insurance that comply with the Affordable Housing Cost for Lower Income Households as set by the State Department of Housing and Community Development (HCD) under Health and Safety Code Section 50052.5 and related regulations.

In connection with the implementation of the sale, the City would release the corresponding houses from the effect of a deed of trust recorded in favor of the City (as beneficiary) securing repayment of certain loans earlier made by the City to the former Redevelopment Agency.

ANALYSIS

Authority financing of the houses would retain the affordability covenants, provide the buyers within the lower income category the opportunity to purchase a home, and through Authority financing would also reduce probability of Program management issues. The payment schedules have been drafted pursuant to prior direction.

FINANCIAL IMPACT

Sale of the Portola Loop property (\$140,200.00) and the Court Street property (\$160,000.00) will provide the Authority with funding to maintain and preserve its supply of affordable housing available to income-qualified persons and families pursuant to the Authority’s Affordable Housing Program.

The Agreements may be viewed at the City Clerk’s Office during normal business hours. Due to the volume of the agreements, Summary Reports only were included in the Agenda packet. The Agreements were made available on-line.

Attachments Council Bill #R-2012-25; #R-2012-33
 LLHA Bill #R-2012-09; #R-2012-10