

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David C. Moe II, Redevelopment Manager *D. Moe*

DATE: October 24, 2011 (CC Meeting of 11/2/11)

SUBJECT: Consider Terminating the Existing Cooperation Agreement between the City of Moorpark and the Area Housing Authority of the County of Ventura and Executing a New Cooperation Agreement and Memorandum of Understanding to Allow the Redirection of the PILOT Payment to Support Programs at Tafoya Terrace Located at 344 Charles Street

BACKGROUND AND DISCUSSION

On October 3, 1984, the Area Housing Authority of the County of Ventura ("AHA") and the City of Moorpark ("City") entered into a Cooperation Agreement for Payment In Lieu of Taxes ("PILOT"). The PILOT is paid to the County of Ventura ("County") and then distributed to all taxing agencies. The gross PILOT amount the AHA paid to the County this fiscal year was \$6,279, of which the City General Fund received \$606.42.

The AHA has approached the County and the cities of Camarillo, Moorpark, Ojai, and Thousand Oaks requesting that the funds paid under the existing PILOT agreements be retained locally and dedicated to needed resident services at public housing properties. The County and the Cities of Ojai, Camarillo, and Thousand Oaks have all executed Cooperation Agreements and Memorandums of Understanding allowing the AHA to retain the payment in lieu of taxes.

On March 2, 2011, the City Council approved the concept of allowing the redirection of AHA PILOT payments to support programs at Tafoya Terrace if all other affected taxing agencies approve redirection of their PILOT payments. On October 24, 2011, staff received a letter from Douglas Tapping, Executive Director of the AHA, stating that the County and the cities of Ojai, Camarillo and Thousand Oaks have all executed Cooperation Agreements and Memorandums of Understanding redirecting the PILOT payments to AHA public housing projects within their jurisdiction.

Tafoya Terrace is currently the only public housing property in the City and is located at 344 Charles Street. This property has 30 one-bedroom units that are restricted to seniors and the disabled. The funds currently being paid to the City under the PILOT would be redirected to Tafoya Terrace to support the Case Management program. The Case Management Program provides onsite services to the residents in the areas of health insurance counseling, social security benefit concerns, meal arrangements, annual prescription drug program selections, and many other services.

The new tax credit 20 unit apartment complex located at 396 Charles Street and adjacent to Tafoya Terrace does not have Housing and Urban Development (HUD) funding so it is not affected by the proposed agreement. Instead of a PILOT for this project, the AHA will be making a one time property tax payment to the City in the amount of \$200,000.00.

Staff recommends executing the attached Cooperation Agreement and Memorandum of Understanding with the AHA terminating the previous Cooperation Agreement dated October 3, 1984, and allowing the redirection of PILOT payment to support programs at Tafoya Terrace.

FISCAL IMPACT

The City General Fund will no longer receive \$606.42 annually from the PILOT and any increase over time.

STAFF RECOMMENDATION

Direct the City Manager to execute the Cooperation Agreement and Memorandum of Understanding with the AHA to allow the redirection of the PILOT payment to support programs at Tafoya Terrace and terminating the existing Cooperation Agreement, subject to final language approval by the City Manager and City Attorney.

Attachment I: Cooperation Agreement
Attachment II: Memorandum of Understanding

ATTACHMENT I

COOPERATION AGREEMENT

This agreement entered into this _____ day of _____, 2011 by and between The Area Housing Authority of the County of Ventura (herein called the "Local Authority") and the City of Moorpark (herein called the Municipality), witnesseth:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this Agreement:

(a) The term "Project" shall mean the low-rent housing known as Tafoya Terrace located at 344 Charles Street, which was developed by the Local Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development herein called the "Government and any future low-rent housing developed or acquired by the Local Authority with financial assistance from the Government.

(b) The term "Taxing Body" shall mean the State of California or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation.

(c) The term "Shelter Rent" shall mean the total of all collections from all tenants of a Project for dwelling rents and nondwelling rents (excluding all other income of such Project), less the cost to the Local Authority of all dwelling and nondwelling utilities.

(d) The term "Slum" shall mean any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

2. The Local Authority shall endeavor (a) to secure a contract or contracts with the Government for loans and annual contributions covering the Project- and (b) to develop or acquire and administer such Project or Projects, each of which shall be located within the corporate limits of the Municipality. The obligations of the parties hereto shall apply to each such Project.

3. (a) Under the conditions and statutes of the State of California, all Projects are exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. With respect to any Project, as long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality agrees that it will not levy or impose any real or personal property taxes or special assessments upon such Project or upon the Local Authority with respect thereto. During such period, the Local Authority may make annual payments (herein called "Payment in Lieu of Taxes") in lieu of such taxes and

special assessments and in payment for the public service and facilities furnished from time to time without other cost or charge for or with respect to such Project. Upon mutual consent by the Municipality and the Local Authority, Payment in Lieu of Taxes may be retained by the Local Authority through execution of a memorandum of understanding with the Municipality.

(b) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal to either (i) ten percent (10%) of the Shelter Rent charged by the Local Authority in respect to such Project during such fiscal year or (ii) the amount permitted to be paid by applicable state law in effect on the date such payment is made, whichever amount is the lower.

(c) The Municipality or the County of Ventura on the Municipality's behalf shall distribute the Payments in Lieu of Taxes, unless otherwise retained as specified in paragraph 3 (a), among the Taxing Bodies in the proportion which the real property taxes which would have been paid to each Taxing Body for such year if the Project were not exempt from taxation bears to the total real property taxes which would have been paid to all of the Taxing Bodies for such year if the Project were not exempt from taxation; Provided, however, that no payment for any year shall be made to any Taxing Body in excess of the amount of the real property taxes which would have been paid to such Taxing Body for such year if the Project were not exempt from taxation.

(d) Upon failure of the Local Authority to make any Payment in Lieu of Taxes, no lien against any Project or assets of the Local Authority shall attach, nor shall any interest or penalties accrue or attach on account thereof.

4. During any period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Local Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the Municipality without cost or charge to the Local Authority or the tenants of the Project (other than Payments in Lieu of Taxes) shall:

(a) Furnish or cause to be furnished to the Local Authority and the tenants of such Project public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge to other dwellings and inhabitants in the Municipality;

(b) Vacate such streets, roads, and alleys within the area of the Project as may be necessary in the development thereof, and convey without charge to the Local Authority such interest as the Municipality may have in such vacated areas; and, in so far as it is lawfully able to do so without cost or expense to the Local Authority or to the Municipality, cause to be removed from such vacated areas, in so far as it may be necessary, all public or private utility lines and equipment.

(c) Consider where necessary, in so far as the Municipality may lawfully do so, (i) granting such deviations from the building code of the Municipality as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time safeguard health and safety, and (ii) making such changes in any zoning of the site and surrounding territory of such project as are reasonable and necessary for

the development and protection of such Project and the surrounding territory;

(d) Accept grants of easements necessary for the development of such Project; and

(e) Cooperate with the Local Authority by such other lawful actions or ways as the Municipality and the Local Authority may find necessary in connection with the development and administration of such Project.

5. In respect to any Project, the Municipality further agrees that within a reasonable time after receipt of a written request therefor from the Local Authority:

(a) It will accept dedication of all public interior streets, roads, alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Local Authority, at its own expense, has completed the grading, improvement, paving, and installation thereof in accordance with specifications acceptable to the Municipality; the acceptance and dedication of all streets, roads, and alleys will not include private driveways intended to serve the interior portion of the project which are normally classified as private access drives.

(b) It will accept necessary dedications of land for all streets bounding such Project or necessary to provide adequate access thereto; the construction of certain required and normal off-site improvements will be included by the Local Authority in the total project development; and

(c) It will provide, or cause to be provided, water mains, and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Local Authority shall pay to the Municipality such amount as would be assessed against the Project site for such work if such site were privately owned).

6. If by reason of the Municipality's unreasonable failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or to cause to be furnished to the Local Authority or to the tenants of any Project, the Local Authority incurs any expense to obtain such services or facilities, then the Local Authority may deduct the amount of such expense from any Payments in Lieu of Taxes due to or to become due to the Municipality in respect to any Project or any other low rent housing projects owned or operated by the Local Authority.

7. In respect to any Project proposed under this Agreement, the Local Authority shall submit to the Municipality for approval a site plan indicating the placement, design, and architectural features of all buildings; this plan shall be reviewed and processed by the Municipality in a normal manner for applications for multiple housing.

8. The Cooperation Agreement dated October 3, 1984, between the Local Authority and the Municipality shall be terminated upon the effective date of this Agreement first above written, and no other cooperation agreement heretofore entered into between the Municipality and the Local Authority shall be construed to apply to any Project covered by this Agreement.

9. No member of the governing body of the Municipality or any other public official of the Municipality who exercises any responsibilities or functions with respect to any Project

during his tenure or for one year thereafter shall have any interest, direct or indirect, in any Project or any property included or planned to be included in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the Municipality involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Local Authority.

10. So long as any contract between the Local Authority and the Government for loans (including preliminary loans) or annual Contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any Project or any monies due to the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the Municipality hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Local Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereof shall inure to the benefit of and may be enforced by such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF the Municipality and the Local Authority have respectively signed this Agreement and caused their seals to be affixed and attested as of the day and year first written above.

CITY OF MOORPARK
(Corporate Name of Municipality)

ATTEST:

By _____

By _____
City Clerk

**AREA HOUSING AUTHORITY
OF THE COUNTY OF VENTURA**
(Corporate Name of Local Authority)

ATTEST:

By _____
Board of Commissioners, Chair

By _____
Douglas A. Tapping, Secretary/Executive
Director



Area Housing Authority of the County of Ventura
1400 W. Hillcrest Drive, Newbury Park, CA 91320-2721 • (805) 480-9991 • FAX (805) 480-1021

Memorandum of Understanding

This memorandum of understanding is dated _____, 2011 by and between the Area Housing Authority of the County of Ventura, hereinafter referred to as “AHA” and the City of Moorpark, hereinafter referred to as the “City”, based on mutual commitment to provide affordable decent, safe and sanitary housing opportunities to low and moderate income families including the elderly and handicapped persons while supporting programs to foster economic self sufficiency.

Whereas, the AHA is a public agency chartered by the State of California to administer the development, rehabilitation or financing of affordable housing programs,

Whereas, the AHA operates 30 units of senior/disabled public housing Tafoya Terrace at 344 Charles Street within city’s limits,

Whereas, public housing eligibility, as set forth by the federal Department of Housing and Urban Development (HUD), requires that public housing residents must be extremely low, very low, or low income households,

Whereas, HUD provides funds for Payments In Lieu of Taxes (PILOT) regardless of whether or not the local government waives payment,

Whereas, the AHA is permitted to forego PILOT by mutual agreement with the affected municipality as presented in 24 CFR 990,

Whereas, the AHA has obtained a revised *Cooperation Agreement* with the City which allows the AHA to retain funds received by the HUD for PILOT on the public housing properties located in the City through execution of a memorandum of understanding,

Whereas, the AHA agrees to direct said PILOT funds directly to support the Resident Services Program on-site at the Tafoya Terrace public housing properties,

Whereas, the AHA agrees to provide semi-annual activity reports on programs, events, and accomplishments and annual reports on financial and budgetary matters to the City,

Whereas, the AHA will file the revised *Cooperation Agreement* with HUD in accordance with HUD requirements,

Whereas, this agreement may be amended at any time by mutual agreement of both parties, and

Whereas, this agreement shall remain in effect until cancelled by either party with 120 days written notice of termination of the agreement.





Area Housing Authority of the County of Ventura
1400 W. Hillcrest Drive, Newbury Park, CA 91320-2721 • (805) 480-9991 • FAX (805) 480-1021

CITY OF MOORPARK

Signature

Title

Date

AREA HOUSING AUTHORITY OF THE COUNTY OF VENTURA

Signature

Title

Date



Serving the cities of Camarillo, Fillmore, Moorpark, Ojai, Simi Valley, Thousand Oaks, and the Unincorporated Areas of Ventura County. An Equal Opportunity Employer.